



LIGHT
REGIONAL
COUNCIL

**Light Regional Council
2019/2020 Annual
Business Plan, Budget and
Long Term Financial Plan
(2020 to 2029)**



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1. Preamble

Under section 123 of the Local Government Act 1999 (the Act), each Council must have a budget for each financial year. This budget must be considered in conjunction with the Council's Annual Business Plan (ABP) and must be adopted before 31 August for the financial year.

Council therefore prepares, as part of its budget development process, an ABP. According to the Section 123 (2) the Act, each ABP of a Council must-

- (a) include a summary of the Council's long-term objectives (as set out in its strategic management plans); and
- (b) include an outline of:
 - (i) the Council's objectives for the financial year; and
 - (ii) the activities that the Council intends to undertake to achieve those objectives; and
 - (iii) the measures (financial and non-financial) that the Council intends to use to assess the performance of the Council against its objectives over the financial year; and
- (c) assess the financial requirements of the Council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and
- (d) set out the rates structure and policies for the financial year; and
- (e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the Council; and
- (f) take into account the Council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the Council; and
- (g) address or include any other matter prescribed by the regulations.

Before a Council adopts its ABP it must prepare a draft ABP and undertake a public consultation process that, as a minimum, meets the requirements of section 123 (4) of the Local Government Act 1999. During the public consultation period copies of the Council's Draft ABP and any other associated documents must be made available for inspection and purchase by the public at the principal office of the Council.

This document presents the ABP and Budget for the Light Regional Council for 2019/2020 Financial Year adopted by Council at its Council meeting held Tuesday, 25 June 2019. The Plan and Budget have been developed in the context of Council's Strategic Management Plan 2017-2020.

2. Introduction to Light Regional Council

➤ Opening Commentary from the Mayor and Chief Executive Officer

The Annual Business Plan (ABP) details the services, programs and projects Council intends to deliver in the 2019/2020 Financial Year. It stipulates Council's strategic goals and business objectives which comprise the provision of substantial projects and valuable services to the local community and wider region.

The strategies and actions identified in Council's Strategic Management Plan for the period covering the years 2017 to 2020 provides the framework of the ABP. It recognises opportunities and key issues pertaining to sustainable development, regional change, economic improvement and comprehensive asset management to afford a holistic approach for the future direction of our Council region.

➤ Strategic Planning

A review of the 2017 to 2020 Strategic Plan will be undertaken in the year ahead with consideration of the South Australian State Government's Strategic Plans, the Regional Development Association Barossa's Regional Roadmap and regional partners' strategic directions.

The Plan recognises the importance of delivering effective and much needed community services in conjunction with the provision of planned, well-maintained infrastructure and assets that are required to underpin the Council region's projected growth and development. Economic development and planning strategies are key factors of the Plan as Council needs to ensure that assets of existing and new developments are provided to appropriate infrastructure standards and are economically and environmentally sustainable.

The town of Roseworthy is about to experience significant urban development. The area of land to the south of the township and to the east of Horrocks Highway incorporates the future employment lands which are included in the Roseworthy Township Expansion Plan Amendment. Work has been completed on stormwater and social infrastructure deeds, following consultation and agreement with landowners, which enables the progression of pivotal infrastructure in the development area. The Roseworthy Township Expansion will now move into the delivery phase.

Included in the ABP is the revised Long Term Financial Plan (LTFP), for the period 2019/2020 to 2028/2029 financial years. The first four years of the LTFP comprises the Four Year Budget detailing Council's capital and operational strategies and projects for that period. Our focus will continue to be sustainable achievement through **'Growth, Reform, Innovation and Discipline'** (GRID). New project initiatives and business cases included in the revised Plan were evaluated on their economic, social and environmental advantages for the community and achievement of ongoing financial sustainability. Federal and State Government funding is important to the proposed outcomes of some of these projects.

The GRID philosophy has regard to the following strategic goals:

- ✓ Sustainability - achieving a balanced Operating Statement;
- ✓ Community Health and Wellbeing - considering intergenerational balance, provision of existing services and future community needs;
- ✓ Industry, Innovation and Infrastructure - deliver quality infrastructure, support local industry and tourism and strengthen the economy ; and
- ✓ Environment - effective stormwater management, environmental preservation and improved waste management.

➤ Annual Objectives

Council will periodically review, implement and monitor its suite of core strategic documents, inclusive of the LTFP, the Infrastructure and Asset Management Plan (IAMP) and Strategic Management Plan. Council's aim is to maintain strategies and plans that are relevant and that are connected to wider State and regional planning.

Council's ABP provides an opportunity to formally report to members of the public on Council's operational and financial status relative to the legislative, corporate and community needs within the Council area. Highlights for 2019/2020 Financial Year include:

- ✓ Continuation of efficient and effective management of Council's major infrastructure assets; a capital works program of \$5.570m is proposed. The two and a half year Accelerated Infrastructure Program, valued at \$15m will be completed during the 2019/2020 financial year, and will have delivered a significant upgrade to core council infrastructure within the region.
- ✓ Community health and wellbeing programs are aligned to the adopted Regional Public Health Plan and legislative requirements. The Plan advocates and provides activities and programs that promote social inclusion, positive physical and mental wellbeing and increased awareness.
- ✓ Advancement of several economic development initiatives in the region including, investment attraction, case management of significant developments and enhanced tourism strategies for our region.
- ✓ Supporting the development and improvement of recreational facilities, existing streetscapes and open space within the region.

This year represents the fourth year of operations for water harvesting at the Wingate Basin site of the Gawler River Water Reuse Scheme (GWRS). Located adjacent to the Northern Expressway crossing of Gawler River, 'Bunyip Water' distributes the water supply to harness sustainable underutilised water resources for urban and agriculture uses. The scheme supplies around 1.2 GL per annum of recycled urban stormwater for irrigation purposes to school ovals, reserves and public open space to the north of Gawler and for viticulture in the western Barossa Valley. The project has also been connected into the Virginia Pipeline Scheme (VPS) to provide additional water security.

The ultimate aim is to secure additional access to recycled water being discharged from the Bolivar treatment plant in northern Adelaide, via the Northern Adelaide Irrigation Scheme (NAIS) and/or VPS.

Council has also provided support for other major community infrastructure projects including the Freeling Agriculture Multi-Purpose Centre facility, the Kapunda Town Centre project and the Kapunda Lifestyle Village. In the year ahead, Council will continue to investigate opportunities to grow, improve and enrich our area. We will continue to partner with our neighbouring Councils for joint regional projects and initiatives that provide cost savings, improve service levels and/or benefit the local economy. We will strive to find a balance in our decision making between social, cultural, economic and environmental issues to ensure our region has a positive outlook and sustainable future.



A handwritten signature in black ink, appearing to read 'Bill O'Brien'.

Bill O'Brien
MAYOR



A handwritten signature in black ink, appearing to read 'Brian Carr'.

Brian Carr
CHIEF EXECUTIVE OFFICER

3. Public Consultation

Each Council must consult with the public in relation to the strategy, content and impact of its ABP and Budget documents.

Council must release a draft version of the ABP and Budget for a period of public consultation with its community in relation to its contents.

For the 2019/2020 Financial Year, the period of public consultation commenced on Wednesday, 22 May 2019. Public notices appeared on Council's website www.light.sa.gov.au from that date while notices were published in the newspapers generally circulating within Council's region in the Wednesday, 29 May 2019 editions of The Bunyip, The Leader and The Barossa and Light Herald newspapers.

The public consultation period concluded at the close of business (5.00pm) on Tuesday, 18 June 2019. A Special Council meeting held on Tuesday, 18 June 2019 at 5.00 pm at the Kapunda Council Chambers, 93 Main Street, Kapunda, received submissions and questions from the community in relation to Council's draft 2019/2020 Annual Budget and 2020-2029 Long Term Financial Plan proposals. A subsequent report was presented to the Council at the Ordinary meeting of Council held on Tuesday, 25 June 2019 in order that matters arising out of the public consultation period were reviewed and considered by Council.

4. Council’s Strategic Direction

Section 122 of the Local Government Act 1999 requires all Councils to develop strategic management plans which identify the goals and objectives for its region over a four year period. In addition to the consideration of community and business needs within the Council area, the plans consider and align with the goals, objectives and strategies of the State and Federal Governments, Regional Development Australia Barossa (RDA Barossa) and neighbouring Councils. The Light Regional Council adopted its revised Strategic Management Plan covering the years 2017 to 2020 at the Council meeting held 23 May 2017.

The Light Regional Council’s Strategic Plan is a strategic document seeking to drive the Council’s vision of “respecting the past, creating our future”. The Strategic Plan has an important role in the development of Council’s business documents (strategic, business and operational plans) which are pivotal to the Council’s operations. Gaining an understanding of these relationships (**Figure 1**) assists the reader in recognising the context of the document.

Figure 1: Light Regional Council Strategic Management Framework



Vision

Light Regional Council's vision is:

Respecting the past, creating our future

Mission

Light Regional Council's mission is:

To be regarded as an exemplary Council that puts the people of Light first, while creating a place that is also welcoming to visitors. Through the services we deliver, we will provide the basis for a community that can grow sustainably, but always within our financial means.

Core principles

Light Regional Council is guided by a focus on 'Core Principles' of **Growth; Reform; Innovation and Discipline.**

Values

Our values:

As a Council we will be guided at all times by:

- ✓ *foundation values of respect, honesty and integrity;*
- ✓ *showing leadership;*
- ✓ *having a constant awareness of the community we serve;*
- ✓ *our need to be financially viable (through the core principles of Growth, Reform, Innovation and Discipline); and striving for quality outcomes.*

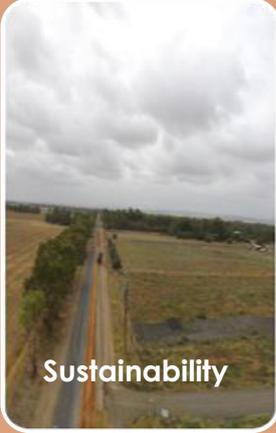
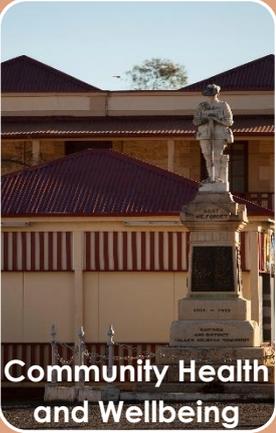
These values express how the Council operates, lives, breathes and expresses itself through its daily duties.



➤ **Council Focus**

Light Regional Council's Strategic Management Plan 2017-2020 has identified the four (4) Key Goals and Strategies which will help to shape the region as it grows in the coming years. **Table 1** below outlines Council's goals and strategies for the 2017-2020 period. These goals will act as triggers to action new projects, as support to seek external funding and as leverage to promote and undertake partnerships to deliver positive outcomes for the community.

Table 1: Goals and Objectives of Light Regional Council for the Strategic Plan 2017-2020

Light Regional Council's Direction and Goals			
 <p>Sustainability</p>	 <p>Community Health and Wellbeing</p>	 <p>Industry, Innovation and Infrastructure</p>	 <p>Environment</p>
Key Objectives			
<ul style="list-style-type: none"> 1.1 Achieve a balanced Operating Statement 1.2 Resolving the asset renewal gap to attain asset sustainability for agreed service levels 1.3 Continued efficiency improvements in service delivery 1.4 Appropriate allocation of resources to areas of priority need 1.5 Minimise energy and natural resource use 1.6 Continuing commercial partnerships with third parties and other levels of government to provide outcomes for the community 	<ul style="list-style-type: none"> 2.1 Continuous improvement of community wellbeing 2.2 Continous improvement of community facilities 2.3 Facilitate retirement living options in the region 2.4 Improved communication with stakeholders 	<ul style="list-style-type: none"> 3.1 Support the local agriculture and tourism industries 3.2 Strengthen and diversify the region's economic base 3.3 Advocate on behalf of regional opportunities 3.4 Deliver quality Infrastructure 	<ul style="list-style-type: none"> 4.1 Further planning for extreme weather events in the region 4.2 Improved management of water resources 4.3 Preservation of areas of environmental biodiversity 4.4 Improved roadside vegetation management 4.5 Planning and implementation of priority Stormwater Management works 4.6 Improved waste management

5. Significant Budget Influences and Priorities

Council endorsed the following budget parameters and assumptions for the purpose of preparing the 2019/2020 ABP and Budget.

- The Recurrent Operating Budget be developed with reference to and within the framework of the 2019-2028 updated LTFP (adopted by Council 26 June 2018);
- Material, Contracts and Other Expenses cost escalation be set at 2% in the absence of any other reliable way of estimating “Materials, Contracts and Other Expenses”;
- Wages and Salaries increase in accordance with the current Enterprise Bargaining Agreements and underpinning award provisions;
- Fees and charges not set by Legislation be increased by 2% as a minimum;
- New Capital Projects to be considered and approved within the constraints of the LTFP and capacity to deliver given existing major capital projects in progress;
- New services and one off projects to be funded through natural revenue growth or by expenditure savings;
- New capital projects may be funded via a combination of natural revenue growth, expenditure savings, grant funding and, if required, borrowings in accordance with Council’s Treasury management Policy;
- Council to continue to participate in regionally significant projects and investigate shared resource opportunities where practicable;
- The ABP objectives for 2019/2020 be aligned with the Goals and Objectives in Council’s Strategic Management Plan 2017-2020; and
- Completion of the Accelerated Infrastructure Upgrade Program in accordance with the LTFP and Council’s updated rolling four (4) year budget.

Council is committed to continuous improvement of its operations in order to provide the best value to the community and deliver quality services utilising the most effective and efficient approach. Accordingly, Council intends to continue undertake its operation while having regard to the ‘GRID’ principles:

- Target Sustainable **Growth**;
- **Reform** the organisation and systems where necessary;
- **Innovate** to provide alternative solutions to service provision; and
- Be **Disciplined** about the way in which costs and programs are implemented and managed.

Compilation of the ABP and Annual Budget is guided by LRC’s ‘8 Point’ management strategy that is to:

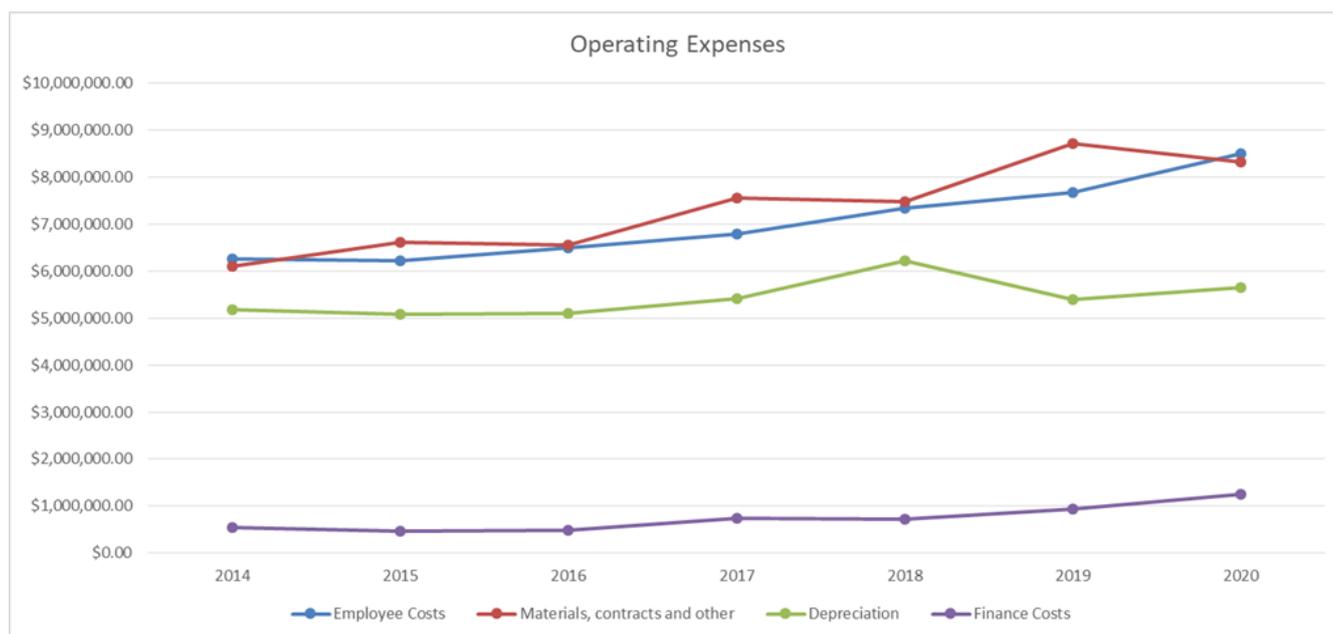
- 1) Maintain its general rating levels;
- 2) Strategically target external funding, grants and value capture opportunities;
- 3) Build its labour resource capacity;
- 4) Progressively work through its IAMP defining affordable service levels and associated asset renewal/upgrade program;
- 5) Foster smart ‘Growth’ to increase its economies of scale, critical mass and be a ‘region of choice’;

- 6) Effect 'Reform' through productivity improvements, by improving processing efficiencies to achieve increased outputs with less inputs, as well as empowering the community to manage key facilities;
- 7) Search for 'Innovative' ways to deliver strategic outcomes, generating alternative sources of revenue and /or increasing service provisions;
- 8) With 'Discipline' hold expenditure levels and any expenditure increases to a proportionally lower amount than our revenue increases.

The following graph (**Figure 2**) shows the growth in Council operating expenditures between the 2013/2014 and (projected) 2019/2020 financial years. Council's **Employee Costs** have risen through the replacement of a number of previously contracted services now provided by Council employees as well as workforce growth as a result of growth in activity, new initiatives such as tourism and the Accelerated Program and legislative requirement.

Material, Contracts and Other Expenses have fluctuated across the period dependent upon each year's proposed budget, however an upward trend is apparent over the years mainly due to the increased cost to Council of purchasing items such as water, electricity, insurances, legal fees, fuel, plant monitoring etc. Costs associated with the Gawler Water Reuse Scheme (GWRS) increase materials etc. costs from 2016/2017. In 2019/2020 the additional cost of increased service levels and new initiatives is offset by a reduction in anticipated expenditure associated with the GWRS, resulting in a projected reduction in the overall cost of materials etc. for the year.

Figure 2 - Growth in Council's Operating Expenses



Finance Costs remained relatively static until 2014/2015 Financial Year. The impact of (GWRS) borrowing commenced in financial year 2015/2016 and continues through to 2019/2020. In 2019/2020 the full complement of borrowings that fund the AIP will be drawn resulting in increased financial costs.

Depreciation Expense has increased over the long-term as Council's asset base has grown. In the 2019/2020 financial year, depreciation expense is expected to increase marginally reflecting the recent investment in new and upgraded assets such as the infrastructure provided through the AIP; new street lighting; the Kapunda Town Square and so on.

6. Services Offered by the Council to its Residents

All Councils in South Australia have core responsibilities defined under the *Local Government Act 1999* and other relevant legislation. These include:

- ✓ Regulatory activities, including development planning and control, fire safety assessments, structural integrity assessments of buildings, dog and cat management, voters roll maintenance and Elected Members support; providing an ABP and developing longer-term strategic management plans, and employing a Chief Executive Officer;
- ✓ Maintenance of roads, footpaths, parks, public open space, street lighting and stormwater drainage;
- ✓ Street cleaning and waste collection;
- ✓ Environmental health services, including food and public health inspections, immunisation, animal & pest control and inspections on public swimming pools.

In response to community interest and need, the Council also provides additional services and programs including economic and regional development, community development services, library services, community and cultural support, environmental protection projects and initiatives, support for community events and maintenance of community facilities (including halls and public conveniences). Details of the services provided by Light Regional Council are outlined in **Table 2**.

Table 2: Services delivered by Light Regional Council to its Residents

Service Category	Services offered	Details
Business Undertakings	Community Wastewater Management System (CWMS)	<ul style="list-style-type: none"> • CWMS in Kapunda, Freeling, Greenock, Roseworthy and Neil Avenue in Nuriootpa.
Community Support	Maintenance of community halls and facilities	<ul style="list-style-type: none"> • Thomson Building, Kapunda Senior Citizens Building, Kapunda Kindergarten, Kapunda Men's Shed, Kapunda Institute, Freeling Institute, Greenock Institute, Wasleys Institute, Hewett Community Centre, Kapunda RSL and the Herald Printing Office.
	Services for the Aged and Disabled	<ul style="list-style-type: none"> • Provide home maintenance, home security and safety and home support services to enable people to remain living safely in their own home, maintain independence and enhance their quality of life through The Barossa Region Home Assist Scheme.
	Children and Youth Services	<ul style="list-style-type: none"> • Provision of programs and services for young people through National Youth Week events, Youth Sponsorship, programs in self-development activities and the Mayors award.
	Community Transport	<ul style="list-style-type: none"> • Community transport services to assist those in the community who are transport disadvantaged, such as the aged and younger disabled residents without access to transport (Community bus and car, Personal Car Service for Wheelchair Clients)
	Other Community Support	<ul style="list-style-type: none"> • Community Events of the Year Awards.

Service Category	Services offered	Details
Cultural Services	Museums and Art Galleries Heritage Other Cultural Services	<ul style="list-style-type: none"> • Kapunda Museum and Kapunda Art Gallery • Grant under Heritage Incentive Scheme to owners of Local Heritage Places and Contributory Items • Australia Day events and awards. • Support to community Christmas events • Community Events Sponsorship program
Health Services	Immunisation and other preventative health	<ul style="list-style-type: none"> • Scheduled children's and high school vaccinations program
Library Services	Libraries	<ul style="list-style-type: none"> • Lending of reading and audio visual material, internet training, local history services, children and youth programs (Kapunda, Freeling and Greenock) • The library currently holds approximately 24,000 physical items in its collection which is equivalent to 1.7 items per capita, which is close to the Public Library Standards baseline target of 1.8 items per capita
Other Environment	Street Lighting Stormwater Management Street Scaping Street Cleaning	<ul style="list-style-type: none"> • Maintaining over 1,200 existing public lights and installing new lighting, including reserve lighting, sports field, court and car park lighting. • Stormwater drainage within the townships is monitored and maintained to prevent flooding. • Planning, planting and maintenance of verges and streetscapes. • Street tree planting, maintenance and weed control. <p>Emptying of public bins.</p> <ul style="list-style-type: none"> • Streets in towns are regularly swept by Council staff using specialised street sweeping machinery.
Public Order and Safety	Emergency Services and Fire Prevention	<ul style="list-style-type: none"> • Burning off, bushfire prevention and fire protection • Removal of abandoned vehicles, maintenance of security cameras in Kapunda.

Service Category	Services offered	Details
Recreation	Parks and Gardens Outdoor Sporting Facilities	<ul style="list-style-type: none"> • Planning, planting and maintenance of reserves, ovals and gardens • Maintenance of Kapunda Swimming Centre
Regulatory Services	Development assessment and compliance services Fire Prevention Parking Control	<ul style="list-style-type: none"> • Other regulatory service • Provision of planning, building and compliance related services. These include the administration of the Development Act 1993 and Development Regulations 2008, the Development Plan, Building Code and other relevant standards. • Permits to light fires and gain access over Council reserves; enforcement of by-laws • Control of rodents and European wasps; dead animal collection from public spaces • Advice to residents on fire risk management; oversee implementation of works program associated with Strategic Bushfire Management Plan. • Enforcement of State Government parking laws and private parking agreements; school patrols; issuing of expiation notices
Transport		<ul style="list-style-type: none"> • Maintenance of bus shelters, footpaths on local streets, shared use paths and maintenance of sealed roads (182kms), unsealed roads (1,220kms), and Unformed roads (55kms).
WASTE MANAGEMENT	Waste management and recycling	<ul style="list-style-type: none"> • Domestic kerbside collection, hard rubbish collection, E-Waste collection, litter control and operation of portable security camera to prevent illegal dumping.

7. Assessment of 2018/2019 Financial Year Objectives

In accordance with Section 123 and Clause 2 of Schedule 4 to the Local Government Act 1999, Council is required to measure its performance against the implementation of its objectives and activities by way of both financial and non-financial performance indicators and report on that performance outcome as part of its Annual Report to its constituency.

An updated position (as at 31 May, 2019) is presented in the following **Table 3** in regard to the Objectives that were planned at the adoption of the 2018/2019 ABP.

Table 3: 2018/2019 ABP Objectives and Activities

*Completion status up to 31 May 2019. 30 June 2019 update to be published in Council's Annual Report

(C) Completed, (SC) Substantially Completed > 75% (PC) Partially Completed 50-75%, (S) Started <50%, (NS) Not Started, (O) Ongoing, (D) Deferred

Goal 1 - Sustainability		
Objective	Action	Completion Status
1.1 Achieve a balanced Operating Statement	Review BIS access across Council. Provide access where it is missing. Undertake a Council wide training/refresher course on BIS. (Assists staff with budget responsibility to manage activity against budgets)	C
	Explore alternative tools to spreadsheets for financial modelling and budgeting. (Improve efficiency of producing annual budget and LTFP with greater degree of accuracy/certainty).	C
	Corporate Management Systems. Undertake a review of AUTHORITY 7.x functionality to determine the extent to which it can provide solutions to current needs such as online timesheets, electronic signatures, Purchase Order and Accounts Payable workflows, financial reporting and so on.	S
	Update the Infrastructure and Asset Management Plan (IAMP) strategy to target a '100% Renewal' objective.	NS
	Align administrative arrangements to support the processing of the first applications for the Roseworthy Township Expansion.	S
	Pursue and progress entrepreneurial projects that generate alternative sources of revenue other than through general rates, including: <ul style="list-style-type: none"> Bunyip Water Scheme connectivity with the Roseworthy Township Expansion (RTE) and Northern Adelaide Irrigation Scheme (NAIS); Local energy generation, storage and distribution to reduce reliance on the national grid in the transition to a low carbon future.	C
	Deliver year 2 of the Accelerated Infrastructure Program to improve the quality of assets across Council and reduce maintenance costs.	C
1.3 Continued efficiency improvements in service delivery	Review and implement records management processes based on the Adequate Records Management Framework to align with State Records legislative requirements.	O
	Develop a strategy for the digitisation and disposal of source records working towards General Disposal Schedule 21 certification.	PC

1.3 Continued efficiency improvements in service delivery (continued)	Further implement opportunities for the community to interact with Council online via the internet.	S
	Prepare and adopt Case Management Guidelines to: <ul style="list-style-type: none"> • streamline development and regulatory approvals; • facilitate investment to support major projects and developments; • allow earlier delivery of regionally significant projects involving economic growth, exports, employment and provision of infrastructure. 	PC C C
	Review the use of smart technology and the 'Internet of Things' (IoT) for appropriate public infrastructure and spaces, to inform future business cases for expanding this service across major townships and rural areas.	C
	Further implement opportunities for the community to interact with Council online via the internet	S
	Introduce electronic rates notices delivery and functionality including BPAY View (or equivalent).	C
	Review and analyse Council's expenditure transactions with potential for credit card usage (analysing transactions, spend, cost to Council, efficiency) to support (or otherwise) the broader use of credit cards as a transaction mechanism throughout Council.	S
	Introduce an electronic/digital credit card management platform, e.g. Flexipurchase if the review proves greater utilisation of credit cards as being viable.	S
	Investigate training and development opportunities, in partnership with other councils, with the aim of improving service delivery to the community.	O
	Explore affordable opportunities for operational efficiencies gained from the adoption of suitable IT software, hardware and use of suitable phone and tablet 'apps'.	SC
1.4 Appropriate allocation of resources to areas of priority need	Continued monitoring of compliance service delivery in accordance with legislative requirements and in-line with available resources.	O
	Investigate the merits of funding a regional resource to provide independent development advice (incorporating planning, financial, funding, procurement, project/contract/construction management) for major projects	C
	Continued involvement, as resourcing allows, in supporting the State Government-led transition to the new planning system under the Planning, Development and Infrastructure Act, 2016.	O
1.5 Minimise energy and natural resource use	Make Council's rates/assessment book available in searchable, electronic format, and provide the infrastructure at Customer Service points that enables community access to the "book". (Reduces paper and broadens the availability of the "book")	C
	Continue the conversion program to ensure all operational buildings to energy efficient lighting.	PC
	Convert all high use Community Wastewater Management Scheme treatment plants to alternative energy sources such as solar power with built in redundancy systems.	PC
1.6 Continuing commercial	Explore suitable private-public partnerships built around robust governance frameworks.	PC

partnerships with third parties and other levels of government to provide outcomes for the community	Undertake year 2 of the Accelerated Works Program in partnership with the Local Government Association and other levels of Government to reduce the IAMP gap.	C
	Explore of suitable private-public partnerships built around robust governance frameworks.	PC
	Complete a Business Case for Council to participate in the Building Upgrade Finance (BUF) scheme.	PC
	Deliver key services through strategic partnerships with adjoining Councils where cost-efficiencies and service quality improvements are achieved through greater economies of scale.	O
Goal 2 - Community Health and Wellbeing		
Objectives	Actions	Completion Status
2.1 Continuous improvement of community wellbeing	Deliver and educate the community on waste and recycling program including kerbside collections, 'e' waste, green waste and hard refuse collections. Collect and analyse waste data in higher use public areas (e.g. Main Streets) to assess improving the efficiency of waste management.	PC
	Support community education activities with respect to a range of priority areas, as identified in the Public Health and Wellbeing Plan.	O
	In conjunction with neighbouring Councils continue to collaborate on developing projects to implement in the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan.	O
	Support and deliver programs and initiatives with a focus on youth priority areas, in-line with the Public Health and Wellbeing Plan.	O
	Work with community groups and service providers to provide support for older persons	O
	Support community life by continuing to deliver grants programmes and community events assistance.	C
2.2 Continuous improvement of community facilities	Refer to Infrastructure Committee reports for progress including roads graded for the year	C
	Introduce and review digital technologies to support the learning and tourism experience for the community and visitors to the region.	C
	Council continues to work with and provide financial support for regional community service provision activities including community transport and volunteer management and development.	O
	Carry out open space maintenance program for parks, gardens and open space areas.	C
	Implement the outcomes of the Barossa, Light and Lower Northern Region Disability Access and Inclusion Plan in conjunction with neighbouring Councils as resources allow.	O
2.3 Facilitate retirement living options in the region	Manage the implementation of the Kapunda Lifestyle Village to maximise occupancy and outcomes for retirees	D
2.4 Improved communications with stakeholders	Complete the smart Town Square in Kapunda's Main Street that encourages interaction using new, smart technologies. Review initial data to assess the merits of extending such technologies and services to other major town centres.	C

	In conjunction with neighbouring Councils maintaining engagement with stakeholders on delivery of priority areas in the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan.	O
2.5 Community education initiatives	Implement and deliver the Telstra Tech Savvy Seniors Program in partnership with Public Library Services.	C
Goal 3 - Industry, Innovation and Infrastructure		
Objectives	Actions	Completion Status
3.1 Support the local agricultural and tourism industries	Implement agreed actions from the Tourism Strategy.	C
	Develop funding strategies for improved freight access for agribusiness across the region.	C
	Deliver an 'Accelerated Works Program' to enhance regional tourism links.	C
	Prepare and adopt an Economic Development Funding Contributions Program that will achieve economic development objectives of the Council through eligible organisations.	D
	Complete the development of the Freeling Agriculture Multi-Purpose Centre and facilitate a sustainable operational model.	SC
	Engage with industry and governments to secure shared commitment towards a cycling and walking trail through high tourist areas of Council.	C
3.2 Strengthen and diversify the regional economic base	Continued involvement in the Mt Lofty Ranges National and World Heritage Bids, together with the Barossa Partnership initiative.	O
3.3 Advocate on behalf of regional opportunities	Investigate resolutions to development barriers in regional industrial estates including; <ul style="list-style-type: none"> • Kingsford Regional Industrial Estate; and • Roseworthy Industrial Estate. 	C C
3.4 Deliver quality infrastructure	Deliver an annual maintenance and grading program that is responsive to community needs.	C
	Deliver an annual capital construction and renewal program that is responsive to community needs.	C
	Undertake maintenance of CWMS pump stations, lagoons, treatment plants and associated infrastructure to ensure continuity of service.	C
Goal 4 - Environment		
Objectives	Actions	Completion Status
4.1 Further planning for extreme weather events in the region	Continue to work with the Barossa Zone Emergency Management Committee to develop risk management strategies to mitigate the impacts of extreme weather events in the region.	C
	Implement the low cost outcomes contained in the Barossa Region Extreme Heat Preparation & Response Planning Project.	C
4.2 Improved management of water resources	Implement the low cost outcomes contained in the Barossa Region Extreme Heat Preparation & Response Planning Project.	C
	Investigate the expansion of water recycling programs and opportunities, funding and partnerships with regional bodies.	C

4.3 Preservation of areas of environmental biodiversity	Continue to deliver on ground activities to protect areas of high biodiversity significance and consider the role native roadside vegetation plays in providing habitat and contiguous links between significant areas.	C
	Partner with landowners and external bodies such as the Natural Resource Management Board for the ongoing delivery of biodiversity management outcomes.	C
4.4 Improved roadside vegetation management	Develop and implement routine programs to manage and increase roadside vegetation.	C
	Implement the Light Regional Council Roadside Vegetation Management Plan 2016 - 2021.	C
	Undertake activities to verify and protect areas of roadside vegetation exhibiting high levels of biodiversity significance.	C
4.5 Progression of Gawler River Floodplain Management improvements and priority recommendations within Stormwater Management Plans	Implement stormwater mitigation works as part of the Accelerated Infrastructure Program.	C
	Continued upgrades in partnership with the GRFMA, other Councils, the NRM Board and State Government to improve the management of flood waters along the Gawler River as funding allows.	C
	Consolidate approved Stormwater Management Plans into the Stormwater Chapter of the IAMP.	PC

8. 2019/2020 Annual Objectives

The 2019/2020 objectives are aligned to Light Regional Council’s Strategic Plan 2017-2020 and are summarised in **Table 4** below:

(BF) Business & Finance, (CEO) CEO’s Office, (ED) Economic Development, (G) Governance, (IE) Infrastructure & Environment, (SD) Strategy & Development,

Table 4: 2019/2020 Annual Objectives

Objective	2019/2020 Actions	Responsible Department
Goal 1 - Sustainability		
1.1 Achieve a balanced Operating Statement	Review Council’s corporate enterprise solution functionality to determine the extent to which it can provide solutions to current needs such as online timesheets, electronic signatures, Purchase Order and Accounts Payable workflows, financial reporting, and electronic/digital credit card management and so on.	BF
	Facilitate capital cost recovery of the non-grant funded component of the F.A.R.M. Centre.	ED
	Update the Infrastructure and Asset Management Plan (IAMP) strategy to target a ‘100% Renewal’ objective.	BF & IE
	Align administrative arrangements to support the processing of the first applications for the Roseworthy Township Expansion.	SD
	Pursue entrepreneurial projects that generate alternative sources of revenue other than through general rates, including: <ul style="list-style-type: none"> • Bunyip Water Scheme connectivity with the Roseworthy Township Expansion (RTE) and Northern Adelaide Irrigation Scheme (NAIS); and • Five Shillings Estate Activation Strategy 	ED
	Complete the Accelerated Infrastructure Program to improve the quality of assets across Council and reduce maintenance costs.	IE
	Lead a Roseworthy Township Expansion (RTE) Taskforce, focussing on regional infrastructure delivery and facilitation of development applications	ED
	Review Council’s policy documentation following the election of the new Council in November 2018.	BF & G
Review and update the Risk Management Framework and associated documentation in consultation with the Audit Committee and Local Government Risk Services.	BF & G	
1.3 Continued efficiency improvements in service delivery	Develop a strategy for the digitisation and disposal of source records working towards General Disposal Schedule 21 certification.	BF
	Prepare Council’s general ledger so that it is able to transition to version 7.1 of Council’s corporate business system (Authority) by converting the general ledger reporting framework to suit.	BF
	Conduct an audit and produce a gap analysis of the documentation of finance and accounting procedures to provide a reference for the development of missing and/or below par documentation	
	Conduct a needs analysis and develop a requirements statement for Council’s corporate strategic and financial reporting solution, and	

Objective	2019/2020 Actions	Responsible Department
	<p>assess this against existing business information systems and other business information products for a solution decision</p> <p>Complete a functional review of the Authority Work Orders module for potential implementation as a project costing/management solution</p> <p>Develop a Purchase Order (PO) Workflow to inform PO application requirements and technology solutions</p> <p>Review and analyse Council's expenditure transactions with potential for credit card usage (analysing transactions, spend, cost to Council, efficiency) to support (or otherwise) the broader use of credit cards as a transaction mechanism throughout Council.</p>	
	<p>Review workplace systems and procedures to develop and implement a new systems framework aimed at achieving improved effectiveness and efficiency.</p>	BF
	<p>Review and implement a customer focussed service model that facilitates positive service interactions and user experiences.</p>	BF
	<p>Research Case Management Guidelines to:</p> <ul style="list-style-type: none"> • streamline development and regulatory approvals; • facilitate investment to support major projects and developments; • allow earlier delivery of regionally significant projects involving economic growth, exports, employment and provision of infrastructure. 	ED/SD
	<p>Update Council's processes and practices to align with the new Planning, Development and Infrastructure Act 2016 in preparation for July 2020.</p>	SD
	<p>Review the use of smart technology and the 'Internet of Things' (IoT) for appropriate public infrastructure and spaces, to inform future business cases for expanding this service across major townships and rural areas.</p>	BF/ED
	<p>Explore further opportunities for shared service provision with neighbouring councils.</p>	SD
	<p>Review council's strategic management plan in accordance with the Local Government 1999, Section 122.</p>	SD
1.4 Appropriate allocation of resources to areas of priority need	<p>Continued monitoring of compliance service delivery in accordance with legislative requirements and in-line with available resources.</p>	SD
	<p>Ongoing consideration of Joint Planning Board opportunity with neighbouring Councils under Planning, Development and Infrastructure Act, 2016.</p>	SD
	<p>Continued involvement, as resourcing allows, to support the State Government-led transition to the new planning system under the Planning, Development and Infrastructure Act, 2016. This includes involvement in transitioning Council's Development Plan to the new Planning and Design Code.</p>	SD
	<p>Accredited Professionals under the new Planning, Development and Infrastructure Act, 2016 – fulfilment of Continuous Professional Development (CPD) requirements for development assessment staff</p>	SD

Objective	2019/2020 Actions	Responsible Department
	Ensure the organisation's workforce is capable of meeting future business needs in particular digital literacy skills and life-long learning to support customers, evolving services and public programs	BF
1.5 Minimise energy and natural resource use	Review & report on appropriate timing to commence Phase 3 of the LED public street lighting upgrade programme, involving the replacement of high energy consumption decorative and vehicular category lighting.	ED
	Convert all high use Community Wastewater Management Scheme treatment plants to alternative energy sources such as solar power with built in redundancy systems.	IE
1.6 Continuing commercial partnerships with third parties and other levels of government to provide outcomes for the community	Continue exploring a Business Case for Council to participate in the Building Upgrade Finance (BUF) scheme and other incentive programs for commercial businesses.	ED
	Complete the Accelerated Works Program in partnership with the Local Government Association and other levels of Government to reduce the IAMP gap.	IE
	Deliver key services through strategic partnerships with adjoining Councils where cost-efficiencies and service quality improvements are achieved through greater economies of scale.	IE
Goal 2 - Community Health and Wellbeing		
2.1 Continuous improvement of community wellbeing (continued)	Deliver and educate the community on waste and recycling program including kerbside collections, 'e' waste, and green waste and hard refuse collections. Collect and analyse waste data in higher use public areas (e.g. Main Streets) to assess improving the efficiency of waste management.	IE
	In conjunction with neighbouring councils continue to collaborate on developing projects to implement in the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan.	SD
	In conjunction with neighbouring councils and in consultation with regional stakeholders, commence and progress the 5 year review of the Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan.	SD
	Support community education activities with respect to a range of priority areas as identified in the Public Health and Wellbeing Plan.	SD
	Support and deliver programs and initiatives with a focus on youth priority areas, in-line with the Regional Public Health and Wellbeing Plan.	SD
	Work with community groups and service providers to provide support for older persons	SD
	Support community life by continuing to deliver grants programmes and community events assistance.	SD
	Council continues to work with and provide financial support for regional community service provision activities including community transport and volunteer management and development.	SD
2.2 Continuous improvement of	Continue Council's roads grading program.	IE
	Carry out open space maintenance program for parks, gardens and open space areas.	IE

Objective	2019/2020 Actions	Responsible Department
community facilities	Implement the outcomes of the Barossa, Light and Lower Northern Region Disability Access and Inclusion Plan In conjunction with neighbouring councils as resources allow.	All
2.3 Facilitate retirement living options in the region	Manage the implementation of the Kapunda Lifestyle Village to maximise occupancy and outcomes for retirees	ED
2.4 Improved communications with stakeholders	Further implement opportunities for the community to interact with Council online via the internet.	BF
2.5 Community education initiatives	Provide access to information services and programs that support life-long learning for all in the community through our physical, online and outreach platforms.	BF
Goal 3 - Industry, Innovation and Infrastructure		
3.1 Support the local agricultural and tourism industries	Execute delivery, development and implementation of plans, key initiatives, actions and marketing from the LRC 2018 – 2023 Tourism Strategy.	ED
	Engage with industry and governments to secure shared commitment towards a cycling and walking trail through high tourist areas of Council.	ED
	Prepare and adopt a strategic Economic Development Plan for the Council.	ED
	Deliver an 'Accelerated Works Program' to enhance regional tourism links.	IE
3.2 Strengthen and diversify the regional economic base	Continued involvement in the Mt Lofty Ranges National and World Heritage Bids, together with the Barossa Partnership initiative.	SD
3.3 Advocate on behalf of regional opportunities	Investigate resolutions to development barriers in regional industrial estates including; <ul style="list-style-type: none"> • Kingsford Regional Industrial Estate; and • Roseworthy Industrial Estate. 	ED
3.4 Deliver quality infrastructure	Deliver an annual maintenance and grading program that is responsive to community needs	IE
	Deliver an annual capital construction and renewal program that is responsive to community needs	IE
	Undertake maintenance of CWMS pump stations, lagoons, treatment plants and associated infrastructure to ensure continuity of service.	IE
Goal 4 - Environment		
4.1 Further planning for extreme weather events in the region	Continue to work with the Barossa Zone Emergency Management Committee to develop risk management strategies to mitigate the impacts of extreme weather events in the region.	IE
	Implement the low cost outcomes contained in the Barossa Region Extreme Heat Preparation & Response Planning Project.	IE
4.2 Improved management of water resources	Implement the low cost outcomes contained in the Barossa Region Extreme Heat Preparation & Response Planning Project.	IE

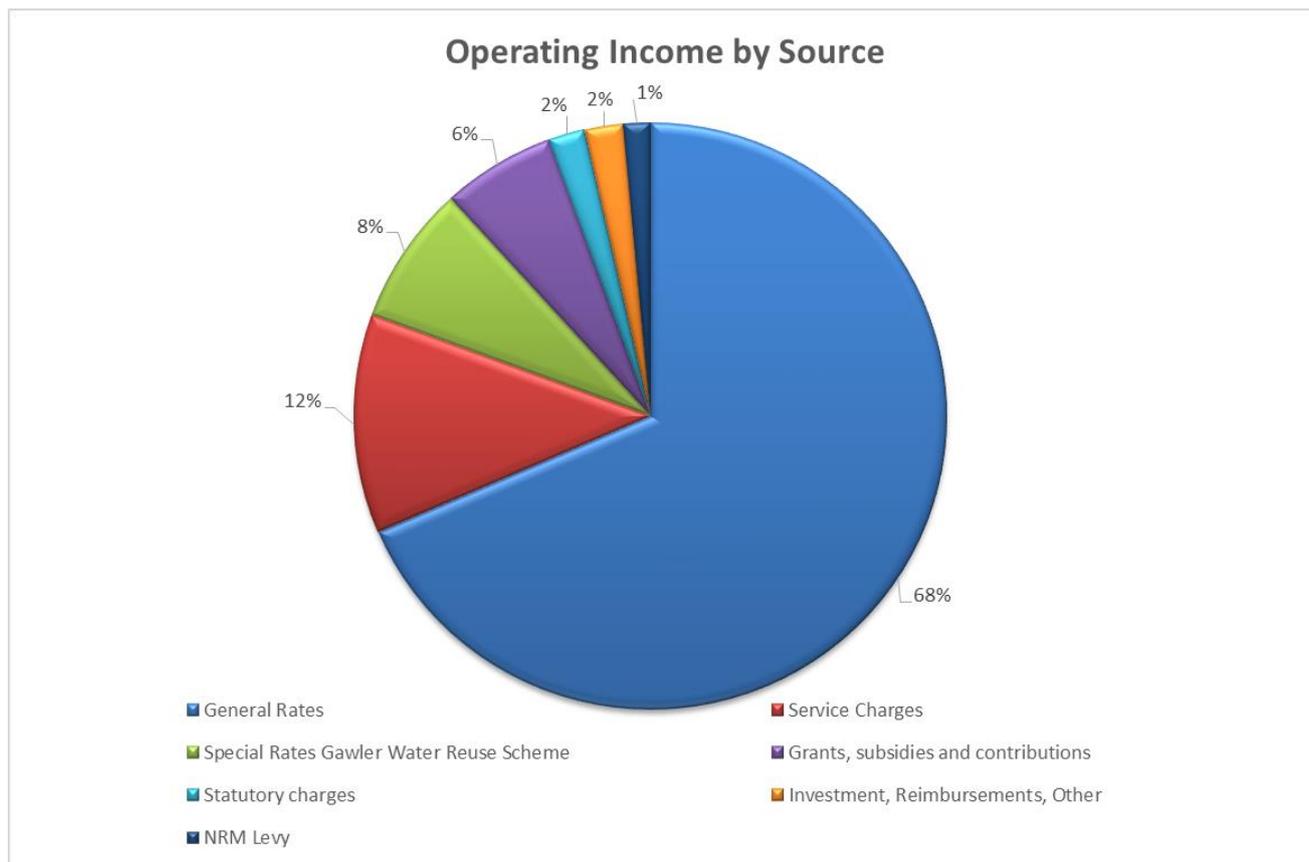
Objective	2019/2020 Actions	Responsible Department
	Investigate the expansion of water recycling programs and opportunities, funding and partnerships with regional bodies.	IE
4.3 Preservation of areas of environmental biodiversity	Continue to deliver on ground activities to protect areas of high biodiversity significance and consider the role native roadside vegetation plays in providing habitat and contiguous links between significant areas	IE
	Partner with landowners and external bodies such as the Natural Resource Management Board for the ongoing delivery of biodiversity management outcomes.	IE
4.4 Improved roadside vegetation management	Develop and implement routine programs to manage and increase roadside vegetation.	IE
	Implement the Light Regional Council Roadside Vegetation Management Plan 2016 - 2021.	IE
	Undertake activities to verify and protect areas of roadside vegetation exhibiting high levels of biodiversity significance.	IE
4.5 Progression of Gawler River Floodplain Management improvements and priority recommendations within Stormwater Management Plans	Implement stormwater mitigation works as part of the Accelerated Infrastructure Program.	IE
	Continued upgrades in partnership with the GRFMA, other Councils, the NRM Board and State Government to improve the management of flood waters along the Gawler River as funding allows.	IE
	Consolidate approved Stormwater Management Plans into the Stormwater Chapter of the IAMP.	IE

9. Annual Budget for Operational Services

➤ Where Council’s Revenue Comes From

In order to fund Council operations and programs, the Council collects revenue from sources such as general rates, fees and charges levied on Council services (Statutory Charges and User Charges), grants from State and Federal Governments, interest income from investing excess cash in short-term investments, reimbursements and other sundry revenue sources. The pie chart (**Figure 3**) illustrates the main sources of the estimated Council revenues of \$23.782m for the 2019/2020 Financial Year.

Figure 3 - 2019/2020 Operating Income by Source



(a) Rates

Rates are the principal source of funding for the activities undertaken by the Council. A projected total of \$21.1m (subject to final valuation at 30 June 2019) (anticipated \$20.1m in 2018/2019) will be collected in 2019/2020 Financial Year, to fund essential services (non-discretionary) such as waste collection, management of basic infrastructure, public health and safety as well as discretionary services such as Council libraries, assistance to community programs and events. Rates revenue includes income from the Gawler Water Reuse Scheme (GWRS) which is collected as a separate rate.

(b) Statutory Charges

Statutory Charges are fees and fines levied in accordance with legislation including development application fees, animal registrations, Health Act registrations, and parking fines. Council estimates that it will collect statutory charges of \$0.466m in 2019/2020, a 2% increase over 2018/2019 budgeted statutory charges of \$0.457m.

(c) User Charges

User charges relate to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for the use of Council facilities, library printing and photocopy charges, Section 7 property searches etc. User charges income is anticipated to increase from \$0.147m in 2018/2019 financial year to \$0.225m in 2019/2020 financial year. The significant increase in user charges revenue is attributable to the Hewett Centre, which Council will now operate.

(d) Grants, subsidies and contributions

Grant, subsidies and contributions income includes monies received from State and Federal sources that fund the delivery of Council's services to ratepayers. Grants income for the 2019/2020 financial year has been budgeted based on confirmed funding levels only and includes \$0.423m of Roads to Recovery funding (\$0.339m 2018/2019), an injection of \$0.423m over the next five (5) years and \$0.602m of South Australian Local Government Grants Commission roads funding. Further grant monies are provided by way of Financial Assistance Grants totalling \$0.314m in 2019/2020.

The Government of South Australia allocates funds annually to support public libraries in South Australia, complementing the funding allocation by individual Councils to public libraries. Light Regional Council anticipates \$0.104m of public libraries funding for the 2019/2020 financial year.

Light Regional Council anticipates that 6.1% or \$1.457m of its proposed 2019/2020 revenue will be in the form of grants, subsidies and contributions.

The Commonwealth's Drought Communities Programme grant of up to \$1m available to Light Regional Council is not included in the 2019/2020 budget. Activities eligible for funding are currently under development and review, and a list of preferences has been developed. Council anticipates that funding applications for the proposed initiatives will be successful, however proposes to make a budget adjustment for this program at the 2019/2020 first quarterly budget review in September 2019 by which time final funding outcomes will be clear.

(e) Investment Income

The Council earns investment income primarily in the form of interest from the investment of cash surpluses throughout the financial year. The repayment of loans given to community organisations is also reflected as investment income. Investment Income for 2019/2020 is forecast at \$0.050m.

(f) Reimbursements

During 2019/2020 Council anticipates it will seek reimbursement of \$0.264m compared to \$0.165m in 2018/2019 from through the provision various services such as private works.

(g) Other Income

Other income relates to a range of unclassified items that do not fit within the aforementioned main revenue categories. Council estimates that it will receive other income of \$0.185m in 2019/2020 financial year compared to \$0.316m in 2019/2019.

➤ **How Each Dollar of Revenue is Spent**

A substantial amount of the Council's expenditure is spent on delivering ongoing services such as the upkeep of libraries, roads, parks, playgrounds, reserves, cemeteries and economic development and township planning activities. In addition to the usual expected services Council executes specific one off programs and projects (Operating Projects) to meets its strategic objectives.

(a) Employee Expenses

Employee expenses include all labour related expenditure such as salaries, wages, allowances and on-costs (including Annual Leave, Long Service Leave, Superannuation, Workers Compensation Insurance etc.).

During the 2019/2020 financial year, employee costs are forecast to increase to \$8.504m compared with a budgeted amount of \$7.686m in 2018/2019. The increase of \$0.819m takes into account the following factors:

- the staff Enterprise Bargaining Agreement;
- growth in service delivery;
- staffing to enable the delivery of the AIP (main impact in 2017/2018);
- staffing to manage significant infrastructure projects such as the Kapunda Town Square, the Freeling F.A.R.M. Centre and the Roseworthy Township Expansion project;
- management of Council's Tourism Plan;
- management of the Hewett Centre;
- increased legislative requirements, especially in planning and development; and
- appropriate resourcing to cope with business excellence, modernisation and improvement initiatives.

Table 5 following, illustrates Light Regional Council's staff levels on a full-time equivalent basis at the end of each financial year for the past three years up to and including current staff numbers.

Table 5: Light Regional Council Total Staff (FTEs)

Description*	30/06/17	30/06/18	30/06/19
Total Staff (FTE)*	82.72	91.40	94.40

**Note: 30/06/17 and 30/06/18 are actual staff numbers, 30/06/19 is estimated staff numbers*

(b) Materials, Contracts and Other Expenses

Materials include items such as electricity, water, fuel, civil construction materials, library books, printing and stationary costs.

Contracts relate to the provision of Council services by external providers and include items such as waste collection, security, leases and infrastructure repairs and maintenance.

Other Expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations, payment of the NRM levy and other miscellaneous expenditure.

It is estimated that Council will expend on materials, contracts and other expenses, \$8.371m during the 2019/2020 financial year, compared to a budget of \$8.717m in the 2018/2019 financial year. The net decrease of \$0.346m is reflective of the projected reduction in the cost of the GWRS for 2019/2020.

(c) Depreciation, Amortisation and Impairment

Depreciation is an accounting charge that measures consumption of the Council's property, plant and equipment (including infrastructure assets such as roads and drains) over the estimated effective useful life of the assets.

The forecast amount of depreciation for 2019/2020 is \$5.646m compared with \$5.395m for 2018/2019, an increase of \$0.251m or 4.65%. Depreciation expense increases due to the revaluation of building etc. assets at 1 July 2018 and the depreciation cost of new capital initiatives.

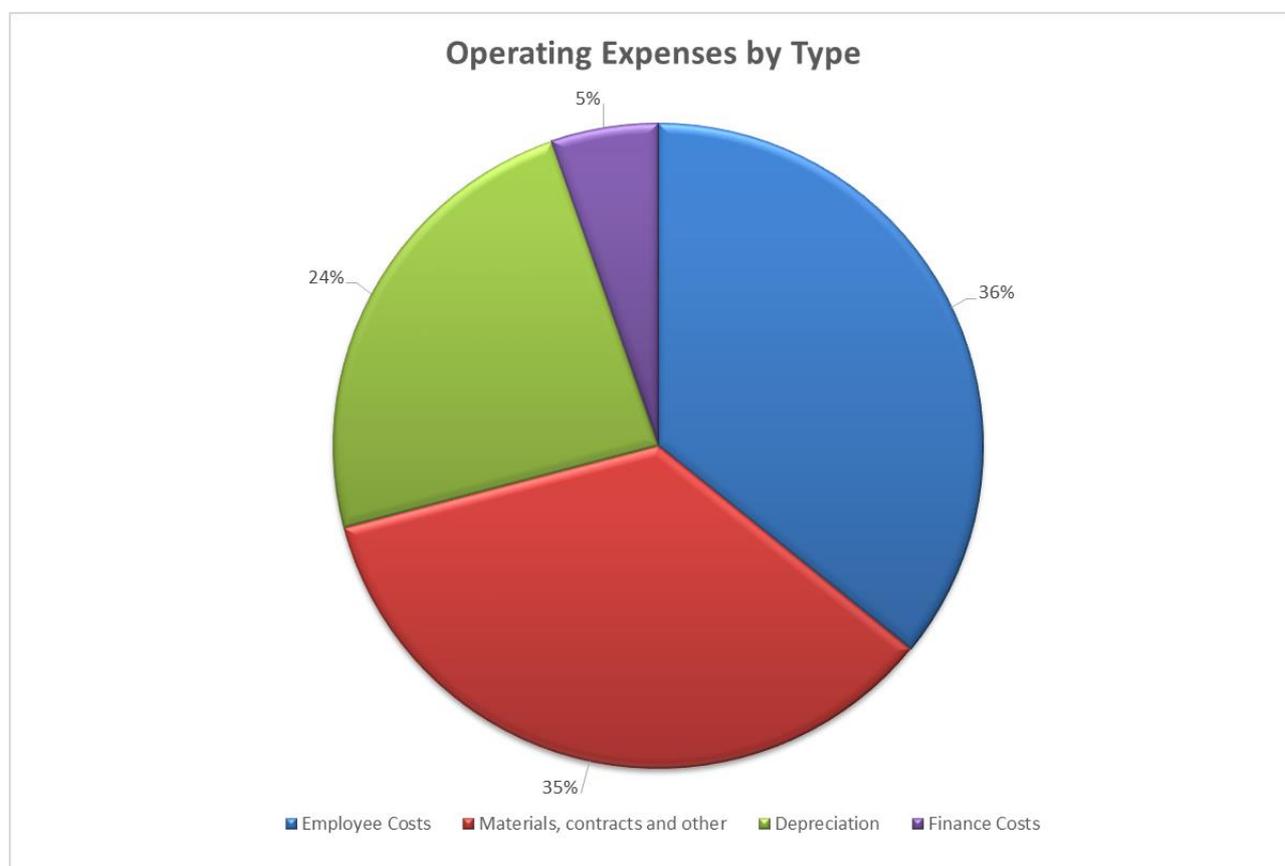
(d) Finance Costs

Finance costs relate to interest charged by the Local Government Financing Authority on funds that have been borrowed by Council. Interest costs have been estimated based on Council's current loan portfolio as at May 2018 plus anticipated borrowings for the 2019/2020 financial year.

Interest costs for 2019/2020 will increase by \$0.318m reflecting an increase in borrowings made during 2018/2019 to fund Council's AIP project and development of community assets such as the F.A.R.M Centre. Interest rates on Council's cash advance borrowings have remained static during the course of the year.

The following chart (**Figure 4**) illustrates estimated 2019/2020 financial year Council expenditure of \$23.781m) by the main expenditure categories.

Figure 4 - 2019/2020 Operating Expense by Type



➤ **Budgeted Statement of Comprehensive Income**

Council's Statement of Comprehensive Income, which incorporates all operating income and expenses is provided below in **Table 6**. Council forecasts a balanced operating result for the 2019/2020 financial year (surplus of \$0.001m). The budgeted result for 2019/2020 varies favourably against the projected deficit of \$0.067m as reflected in the 2019-2028 Long Term Financial Plan adopted by the Council in June 2018.

Table 6: Statement of Comprehensive Income for 2019/2020 Financial Year

	2018 ACTUAL	2019 ADOPTED BUDGET	2020 ADOPTED BUDGET	2020 LTFP BUDGET	VARIANCE FROM LTFP
OPERATING INCOME					
Rates	17,343,453	18,385,440	19,335,396	19,126,603	208,793
Special Rate - GWRS	1,800,000	1,800,000	1,800,000	1,800,000	-
Statutory charges	472,760	456,933	466,073	466,072	1
User charges	193,302	146,815	224,940	148,336	76,604
Grants, subsidies and contributions	2,891,096	1,526,288	1,457,390	1,333,567	123,823
Investment Income	57,373	42,289	49,535	24,535	25,000
Reimbursements	343,682	164,510	263,726	143,726	120,000
Other Income	208,123	316,083	185,367	245,819	(60,452)
TOTAL INCOME	23,309,789	22,838,358	23,782,426	23,288,658	493,768
OPERATING EXPENSES					
Employee Costs	7,342,259	7,685,538	8,504,434	8,090,634	(413,800)
Materials, contracts and other services	7,239,975	7,790,748	7,895,876	7,486,713	(409,163)
GWRS	244,271	926,020	475,000	926,020	451,020
Depreciation, Amortisation & Impairment	6,229,683	5,395,421	5,645,859	5,609,249	(36,610)
Finance Costs	723,802	942,296	1,260,372	1,243,468	(16,904)
Share of loss - joint ventures etc.	-	-	-	-	-
TOTAL EXPENSES	21,779,990	22,740,023	23,781,541	23,356,084	(425,457)
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	1,529,799	98,335	885	(67,426)	68,311

Measured against the projections for 2019/2020 adopted by Council in the 2019-2028 LTFP, the key variances making up the net improvement of \$0.068m include: additional rates provided by valuation growth; growth in user charges provided by the Hewett Centre; additional grant funding provided by the Roads to recovery program; return on capital investment (interest) from the Kapunda Lifestyle Village; and a number of additional initiatives netted out between reimbursement income and other income.

Contributing factors to increased expenditure include growth in staff levels; new operational initiatives proposed by Council since the last budget cycle; and the anticipated reduction in GWRS expenditure.

The Gawler Water Reuse Scheme attracts a separate rate, which after interest costs and water supply expenses is estimated to provide net income to Council of \$0.873m in 2019/2020.

➤ **Accelerated Infrastructure Upgrade Program**

During the 2019/2020 financial year Council will complete the Accelerated Infrastructure Upgrade Program (AIP) commenced in July 2017. Funding for this program was provided through a \$3m grant from the South Australian Government and \$12m in loans, which are funded by revenue generated through the Gawler Water Reuse Scheme.

10. Four Year Budget in Detail

In addition to the LTFP, the ABP 2019/2020 details Council's key projects, new initiatives, capital and operational works programs for the first four (4) years of the LTFP. This will be referred to as the Four Year Budget (4YB).

The purpose of including the 4YB in addition to the LTFP and detailed financial and non-financial information for the 2019/2020 financial year is to:

- Communicate Council's medium term strategies and proposed outcomes for the next four (4) years;
- Implement a systematic approach towards organisational planning and reviewing, prioritising and monitoring strategies, projects and initiatives;
- Support Council's budget deliberations by providing an improved mechanism to assist with decision-making;
- To facilitate alignment to Council's suite of corporate documents, the Strategic Plan 2017-2020, LTFP 2019-2029 and IAMP.

The following **Table 7** shows Council's projected four (4) year Income Statement. Council proposes a balanced operating position for 2019/2020 followed by a modest deficit for 2020/2021 and returning to modest surpluses in the final two (2) years of the 4YB. The first year of the 4YB includes a number of new initiatives and projects as outlined in **Table 8**, Four Year Operating Projects Budget. Year 2 of the 4YB takes up the full year cost of new initiatives from year 1 as well as proposed 2019/2020 initiatives deferred until 2021/2022. The operating results forecast for years three and four of the 4YB are the result of a gradual increase in rates revenue over time and the reduction of finance costs anticipated from 2022/2023, at which time loans related to the GWRS and AIP are expected to be repaid.

Table 7: Four Year Income Statement

	2018 ACTUAL	2019 ADOPTED BUDGET	2020 ADOPTED BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET
OPERATING INCOME						
Rates	17,343,453	18,385,440	19,335,396	20,099,936	20,801,835	21,527,041
Special Rate - GWRS	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	450,000
Statutory charges	472,760	456,933	466,073	471,857	481,294	490,920
User charges	193,302	146,815	224,940	228,343	231,822	235,379
Grants, subsidies and contributions	2,891,096	1,526,288	1,457,390	1,466,085	1,474,956	1,484,005
Investment Income	57,373	42,289	49,535	19,693	18,484	17,226
Reimbursements	343,682	164,510	263,726	257,047	252,425	249,360
Other Income	208,123	316,083	185,367	187,987	188,680	193,451
TOTAL INCOME	23,309,789	22,838,358	23,782,426	24,530,947	25,249,495	24,647,382
OPERATING EXPENSES						
Employee Costs	7,342,259	7,685,538	8,504,434	8,741,131	8,980,176	9,221,569
Materials, contracts and other services	7,239,975	7,790,748	7,895,876	8,034,173	8,007,591	8,299,980
GWRS	244,271	926,020	475,000	926,020	926,020	231,505
Depreciation, Amortisation & Impairment	6,229,683	5,395,421	5,645,859	5,763,040	5,870,339	5,980,578
Finance Costs	723,802	942,296	1,260,372	1,226,544	1,190,821	301,296
Share of loss - joint ventures etc.	-	-	-	-	-	-
TOTAL EXPENSES	21,779,990	22,740,023	23,781,541	24,690,908	24,974,947	24,034,928
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	1,529,799	98,335	885	(159,961)	274,549	612,454

➤ **Operating Project Program**

The four year Income Statement shown above incorporates nineteen existing and newly proposed initiatives brought forward through the operating project program, budgeted to cost \$1.521m over the four year period. The predicted financial impact for the 2019/2020 financial year is \$0.378m. The individual projects making up these amounts are listed in **Table 8** below.

Table 8: Four Year Operating Projects Budget

Project Name	Total Cost 2020-23	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23
Light Regional Council Trails Application	3,390	1,695	1,695	-	-
Council IT Network Hardening - Telstra Proposal (lease costs)	141,000	70,500	70,500	-	-
GOLLIES (Growing Older Living Independently)	3,000	1,500	1,500	-	-
Regional Public Health Plan - priority awareness and education	5,000	2,500	2,500	-	-
Volunteer Management - Workforce Development	2,000	1,000	1,000	-	-
Disability Inclusion Plan - priority awareness and education	5,000	2,500	2,500	-	-
Street Tree Planting & Renewal Program	54,005	27,000	27,005	-	-
Sub-Total 2017/2018 Business Cases Year 3	213,395	106,695	106,700	-	-
Light Regional Council Corporate Style Guide	20,000	20,000	-	-	-
Review of the Regional Public Health Plan	10,000	10,000	-	-	-
Reproduction of the Kapunda Mural Planner	5,000 407,078	5,000 98,325	- 100,586	- 102,900	- 105,267
LRC Public Art Strategy	12,000	12,000	-	-	-
Asset Management Solution	61,806	-	63,503	(697)	(1,000)
Restoration of Grassland Based Rural Road Verges	45,000	15,000	15,000	15,000	-
Seppeltsfield Road Tree and Verge Management	124,600	60,000	-	-	64,600
Graduate Accounting Officer	261,228	32,262	70,564	77,030	81,372
Cemetery Mapping Project and Heritage Assessment	35,500	-	28,200	-	7,300
LRC Azure Public Cloud Deployment	312,889	19,932	75,381	107,711	109,865
Depreciation on new capital initiatives	12,355	(1,375)	2,910	2,910	7,910
Sub-Total 2019/2020 Business Cases Year 1	1,307,456	271,144	356,144	304,854	375,314
Total Operating Project Costs 2019/2020 Budget	1,520,851	377,839	462,844	304,854	375,314

➤ **Summary of Four Year Operating Project Program**

A summary of the four year Operating Project program is given below.

Ongoing projects adopted in previous years' budgets:

- **Light Regional Council Trails Application**

Continue to develop the trail application to promote attractions, community based projects and businesses within the Council region that can be accessed 24/7. The applications suit visitors that prefer self-guided tours at their own pace. There is also an opportunity to encourage international tourists to visit the region as the application can be translated into different languages, including Chinese, which aligns with Council's strategic direction.

- **Council IT Network Hardening – Telstra Proposal (lease costs)**

Network hardening of Council's communications infrastructure utilising the NBN has been completed. The nature of this proposal has shifted from an end-to-end Telstra solution and approved funds will be redirected to Council's preferred public cloud network solution.

- **GOLLIES (Growing Older Living Independently)**

Under its commitments to public health and wellbeing, Light Regional Council supports community life and promotes environments where the social and emotional wellbeing of residents is improved. This project realises a range of information sessions and other activities coordinated by & delivered through

groups such as Senior Citizens, Probus Clubs, CWA and other service clubs with members in the 'seniors' demographic.

- **Regional Public Health Plan - priority awareness and education**

To implement a range of community health and wellbeing activities and awareness campaigns, the priority issues as identified in the Regional Public Health plan (RPHP). This includes activities to promote healthy eating, physical activity, smoking cessation, and positive mental wellbeing as part of a 12-month calendar of local events. Activities may include (but not limited to) healthy eating displays & demonstrations, open trails events, and food safety displays & demonstrations.

- **Volunteer Management - Workforce development**

To support the increased requirements when managing a volunteer program, including the appropriate management of safety and risk issues in relation to volunteers, Council should review its current practices in order to develop a more effective and efficient volunteer program under the guidelines of the National Standards for Volunteer Involvement (May 2015). A component of the operational funding would be used towards training for volunteers (for example - manual handling, fire safety & awareness, and safe driving practices).

- **Disability Inclusion Plan - priority awareness and education**

Light Regional Council supports and promotes environments where the wellbeing of residents living with a disability (and their families and carers) can be improved and/or maintained. Under the terms of the Disability Discrimination Act (as outlined in the Regional Disability Access and Inclusion Plan (R-DAIP), Council has a responsibility to provide environments, services and programs that people with a disability (and their families and carers) can access and/or participate in, which can enhance their health and wellbeing.

- **Street Tree Planting and Renewal Program**

The project aims to deliver an improved streetscape to the existing streets within Light Regional Council. Currently Council does not have dedicated funds for the mass planting of trees where none exist or where the existing trees need to be removed and new ones planted.

Initiatives and projects recommended during the 2019/2020 financial year budget process:

- **Corporate Style Guide**

Professional development of a guide for the way the LRC brand should be presented from both a graphic and language perspective, whether for general or specific publication. The Corporate Style Guide is the roadmap and ensures the corporate style is professional, cohesive, consistent, and recognisable.

- **Review of the Regional Public Health Plan**

Compliance with legislative requirements/changes. The current Barossa, Light and Lower Northern Region Public Health and Wellbeing Plan dates back to July 2014. This document was produced through a collaborative project involving the Town of Gawler, The Barossa Council, Adelaide Plains Council and Light Regional Council with assistance from a consultant. Section 51(19) of the SA Public Health Act, 2011 requires that a "regional public health plan must be reviewed at least once in every 5 years", which becomes due from July 2019.

- **Kapunda Mural**

This project involves the re-production and installation of The Kapunda Mural which was formerly located on the IGA Supermarket on the corner of Main & Crase Streets, Kapunda. This business case is for the Council to cover the cost of the materials required to re-create the mural on a longer lasting backing.

- **Public Art Strategy**

It is considered that now (or soon) might be the right time for Light Regional Council to develop a strategy for public art across its entire area. The development of a Public Art Strategy would identify potential projects across the whole Council region and not just townships, areas or Wards where influential

Stakeholders may have an interest. Such projects are expected to include silo art, wall murals, sculptures, etc., whereby the strategy would estimate approximate costs and suggest funding/delivery options for Council, community and private sector consideration. This would enable greater focus and direction for the community in marshalling volunteers and funds to help activate works. The document would also be a critical reference for any grant funding applications that might deliver outcomes at a State or Federal level.

- **Asset Management Solution**

The Asset Management System forms part of Council's critical software infrastructure and performs an important role for the organisation assisting with prompt customer service, delivering business efficiencies by way of digitalising asset data, asset condition analysis and reporting. The replacement of Council's current solution is imminent due to expiring licencing arrangements, however this project is recommended for year two of the 4YB in order for it to be considered in the broader context of Council's information technology strategy.

- **Restoration of Grassland Based Rural Road Verges**

There is a need to develop a series of practical strategies or techniques which will allow landowners to control weeds without harming native vegetation. The Adelaide and Mount Lofty Ranges Natural Resources Management Board (AMLRN) will be leading this project and will be partnering with the Freeling Agricultural Bureau and also local agricultural consulting company Rural Directions to establish test sites to trial different management techniques. Light Regional Council will provide funding to the AMLRN to undertake all field trials and produce a final report outlining recommendations for improved management practices.

- **Seppeltsfield Road Tree and Verge Management**

Seppeltsfield Road through the hamlets of Marananga and Seppeltsfield is lined with around 500 State Heritage listed date palm trees. These trees were planted in the 1930's by workers of Seppeltsfield Winery and have become an iconic symbol of the area. The trees and associated landscapes feature on many tourism brochures and websites. In order for Council to maintain this iconic area it needs to undertake regular pruning which requires specialised equipment skills. Unfortunately the funds required to undertake this far exceed the current annual budgetary allocation and as such other areas of Council's tree management program are not being met. These areas include rural roads where modern farm machinery struggles to manoeuvre through. As such a dedicated management plan tailored for the palms is considered necessary.

- **Cemeteries Mapping Project and Heritage Assessment**

Deferred to year two of the 4YB. This is the second stage of a multi-stage strategic review and follows the development and adoption of a Cemetery management Plan.

- **Azure Public Cloud Deployment**

This project is for the replacement of Council's existing end-of-life on premise IT network solution with a transition to Microsoft's Azure public cloud solution. Budget amounts shown reflect the net increase in budget required over those already included in the existing LTFFP.

➤ **Capital Projects Program**

Light Regional Council is responsible for a large portfolio of assets with depreciation expense of \$5.646m projected 2019/2020 financial year. It is therefore critical for the long term sustainability of assets that the Council engages in practises that optimise assets useful lives for the benefit of the community.

The four year Capital Project Budget consisting of thirteen existing and newly proposed initiatives brought forward through the capital project program, plus Council's Infrastructure and Asset Management Plan (IAMP) program is projected to cost \$18.395m over four years.

In the 2019/2020 Financial Year, Council proposes spending \$5.570m on its capital programs of which \$4.185m will be spent on asset renewal programs and \$1.385m will be spent on new/upgraded assets.

Table 9 below itemises the budget associated with the four year capital program.

Table 9: Four Year Capital Projects Budget

Project Name	Total Cost	Year 1	Year 2	Year 3	Year 4
	2020-23	2019-20	2020-21	2021-22	2022-23
Libraries (Freeling & Greenock) - Renewal of Furniture and Fixtures	2,000	2,000	-	-	-
Total Costs Business Cases 2016/2017 continuing	2,000	2,000	-	-	-
Purchase and Development of Dr Blood's Property	15,000	4,000	11,000	-	-
Training and Development Hub	11,000	5,500	5,500	-	-
Kapunda and Freeling Cemeteries - Public Conveniences	100,000	-	50,000	50,000	-
Total Costs Business Cases 2017/2018 continuing	126,000	9,500	66,500	50,000	-
Bus Stop Shelters (6 year program)	60,000	15,000	15,000	15,000	15,000
Recreational Parks and Gardens - Shelters (6 year program)	60,000	15,000	15,000	15,000	15,000
CWMS (sheds and solar)	125,000	65,000	60,000	-	-
Total Costs Business Cases 2018/2019 continuing	245,000	95,000	90,000	30,000	30,000
Kapunda LoRaWAN Gateway and IoT Sensors	15,000	15,000	-	-	-
Kapunda Bowling Club On Road Parking	32,500	32,500	-	-	-
Freeling Skate Park FAMPC Entrance	300,000	300,000	-	-	-
Thompson Building Solar	8,000	8,000	-	-	-
Heaslip Road Bike Path	80,000	-	-	80,000	-
Cemetery Management Plan	106,000	-	31,500	30,500	44,000
Total Costs Business Cases 2019/2020	541,500	355,500	31,500	110,500	44,000
Capital Asset Renewal Program	13,349,061	3,357,167	3,304,310	3,389,918	3,297,666
Capital Asset Renewal Program	540,000	-	120,000	120,000	300,000
Capital Asset Renewal Program - CWMS	745,000	290,000	245,000	130,000	80,000
Major Plant Replacement Program	1,523,000	505,000	231,000	392,000	395,000
Minor Plant Replacement Program	60,000	15,000	15,000	15,000	15,000
Fleet Replacement Program	562,900	241,200	104,500	111,500	105,700
Total Costs IAMP 2019/2020	16,779,961	4,408,367	4,019,810	4,158,418	4,193,366
Accelerated Infrastructure Program	700,000	700,000	-	-	-
Total Capital Project Costs 2019/2020	18,394,461	5,570,367	4,207,810	4,348,918	4,267,366

Summary of Four Year Capital Project Program

A summary of the four year Capital Project program is given below.

Ongoing projects adopted in previous years' budgets:

- **Libraries – Renewal of Furniture/Fixtures**

Minor improvements to furniture and fixtures.

- **Purchase / Development of Dr Blood's Property**

This property has now been purchased and remaining budget in the 4YB relates to various capital and remediation works. The property will be included into the mine site experience and provides significant opportunities for the interpretation of the site and the history and significance of Dr Blood. The property forms part of the State Heritage site.

- **Training and Development Hub**

The proposed introduction of a Training and Development Hub aims to enhance and support the development of digital literacy in the community.

- **Kapunda and Freeling Cemetery – Public Conveniences**

Provision of public conveniences to the public cemeteries located at Kapunda and Freeling. This initiative is dependent on the recommendations from and implementation of Council's future Cemeteries Management Plan.

- **Information Technology Network Infrastructure Hardening**

Ongoing investment is required to maintain and strengthen Councils Information Technology network infrastructure to deliver high availability, business continuity and redundancy.

- **Bus Stop Shelters**

The project is for a program of providing shelters over a period of time for local residents who may utilise local bus services (private or public) for transport to school, work or for general travelling to and from home during day to day activities. (Note: 6 year time frame to complete all shelters)

- **Recreational Parks and Gardens – Shelters**

The provision of new or additional shelters within recreational areas, the parks and gardens within the six major townships of the Light Regional Council, Roseworthy, Wasleys, Greenock, Hewett, Kapunda and Freeling. Therefore a program is to be developed for the shelters following review of suitable locations, with installation to be rolled out over a 6 year period with an annual allocation of \$15,000.

- **CWMS (sheds and solar)**

To build onsite facilities at the Kapunda and Freeling CWMS treatment plants large enough to house solar components aimed at negating up to 35 kWh of power usage.

Initiatives and projects recommended during the 2019/2020 financial year budget process:

- **Capital Asset Renewal Program**

Council's annual Asset Renewal Program includes, sealing unsealed township and rural roads, resheeting rural roads, footpath upgrades, building upgrades, stormwater upgrades and bridge renewal. Please refer to **Table 10** for a detailed listing of the four year Capital Works Program.

- **Long Range Wide Area Network (LoRaWAN) Gateway**

Development of a wide area network gateway located centrally in Kapunda that can receive remote Internet of Things (IoT) sensor data within a long range radius (e.g. up to 7km), with the data stored in a web platform which can be analysed by staff or potentially made available publically (in close to real time).

The proposal is to engage external assistance to work with Council's IT Team to supply, install, configure and commission the LoRaWAN Gateway infrastructure.

- **Kapunda Bowling Club on Road Parking**

This project aims to deliver additional parking facilities to allow people who find it difficult to get into and out of a parked car quickly greater room to do so in a designated parking area.

- **Freeling Skate Park FAMPC Entrance**

The area immediately behind the Freeling Skate Park has recently been developed into a multi-million dollar Agricultural Multipurpose Centre (F.A.R.M. Centre), including, but not limited to, indoor basketball courts, gymnasium and football change-rooms. This modern development includes a large car park for visitors to the F.A.R.M. Centre. Strategically positioned as the first focal point of the entrance to the new F.A.R.M. Centre and Recreation Park entrance (Cherry Street) in the north/west corner of the allotment is the Freeling Skate Park, an out of date and unsafe attraction for local and visiting youth. This proposal seeks to replace the existing skate park with a new skate park facility including the beautification of the skate park to a level that is in keeping with the standard of the newly developed F.A.R.M. Centre.

- **Thomson Building Solar**

The Thomson Building is the Visitor Information Centre, Kapunda Library, hosts the Kidman Collection, provides Light Regional Council Customer Service and is open every day of the year (except Christmas Day and Good Friday). The building is earmarked for a solar power project to reduce energy consumption and offset power costs. Solar panel design and installation of 8kW capacity will be in keeping with the Heritage requirements of this building.

- **Heaslip Road Bike Path**

A shared cycle and pedestrian path from Gawler River Road to the Council boundary on Heaslip Road to create an alternative transport link for locals to the Angle Vale township as well as the future linear green belt that will follow the Gawler River.

- **Cemetery Management Plan**

Deferred to year two of the 4YB. This is the second stage of a multi-stage strategic review and follows the development and adoption of Council's future Cemeteries Management Plan. Future interment management and design is required to allow for expansion as our community demands grow. Improved and new facilities are required to meet community expectation.

Table 10 below summarises the costings associated with the four (4) year Capital Asset Renewal Program.

Table 10: Four Year Capital Asset Renewal Program

➤ **Rural Sealed Road Program**

Road Name	Nature of Work	From	To	Estimated Project Cost
2019-2020				
Seppeltsfield Road	Reseal & shoulders (Council contribution towards a Special Local Roads Programme - \$1,110,000 of works)	Kraehe Road	Radford Road	\$370,000
Seppeltsfield Road		Radford Road	Neldner Road	
Seppeltsfield Road		Neldner Road	Stonewell Road	
Kraehe Road	Reseal	Seppeltsfield Road	End of Seal	\$20,000
			Total	\$390,000
2020-2021				
Peppermint Drive	Reseal	Edward Road	End of road	\$50,000
Linda Street	Reseal	Ahrens Road	End of road	\$80,000
Goss Road	Reseal	Annie Terrace	End of road	\$15,000
Prescott Crescent	Reseal	Bernard Court	End of road	\$30,000
Bernard Court	Reseal	Smith Road	End of road	\$140,000
Moppa Road	Reseal	Wildlife Road	Hanckel Road	\$60,000
Wildlife Drive	Reseal	Moppa Road	End of Seal	\$40,000
Kentish Road	Reseal	Parkers Road	Lange Road	\$25,000
			Total	\$440,000
2021-2022				
Belvidere Road	Reseal & shoulders (Council contribution towards a Heavy Vehicle Safety & Productivity Programme - \$960,000 of works)	Council Boundary	Truro Road	\$480,000
Stonewell Road	Reseal & shoulders (Council contribution towards a Special Local Roads Programme - \$510,000 of works)	Seppeltsfield Road	Sir Conder Lauke Way	\$170,000
			Total	\$650,000
2022-2023				
Roseworthy Road	Heavy Vehicle Productivity Program Spray Seal with 300mm cement treated Stabiliser	Thiele Hwy	Sturt Highway	\$350,000
			Total	\$350,000

➤ **Township Sealed Road Program**

Road Name	Nature of Work	From	To	Estimate Project Cost
2019-2020				
Cherry Street	Reseal	Hanson Street	Rec Park Ent.	\$32,000
Coulls Street	Reseal	Gray Street	Rogers Street	\$68,619
Hill Street	Reseal	Main Street	Willow Drive	\$100,362
Mill Lane	Reseal	Baker Street	Clare Road	\$31,161
Fords Street	Reseal	Main Street	Whittaker Street	\$23,415
Brown Street	Reseal	Main Street	Stocks Street	\$43,528
Tod Street	Reseal	Main Street	Willow Drive	\$44,823
Oldham Street	Reseal	South Terrace	Chapel Street	\$38,876
Clarke Street	Reseal to kerb	Hanson Street	Borrow Street	\$40,772
Total				\$391,556
2020-2021				
Rogers Street Freeling	Reseal	Hanson Street	Coulls Street	\$68,643
Koncke Street	Reseal	Adelaide Road	Branson Street	\$195,191
Barons Court	Reseal	Full length		\$46,170
Station Street	Reseal	Full length		\$145,411
Total				\$455,415
2021-2022				
High Street Kapunda	Reseal	Mildred Street	Stirling Street	\$50,000
Grey Street Kapunda	Reseal & widen	Coghill Street	Baker Street	\$45,000
Waterhouse Street Kapunda	Reseal & widen	Clare Road	Baker Street	\$40,000
Stirling Street Kapunda	Spray Seal & widen & Kerb and gutter	Maxwell Street	High Street	\$80,000
Havelock Street Kapunda	Reseal	Stirling Street	Carey Street	\$20,000
Rees Street Kapunda	Reseal	Maxwell Street	Stirling Street	\$20,000
Flora Street Greenock	Reseal	Barkey Sreet	End of road	\$20,000
Martin Street Greenock	Reseal	Murray Street	End of seal	\$15,000
Midland Street Greenock	Reseal	Mill Street	Leopold Street	\$40,000
Leopold Street Greenock	Reseal	Murray Street	Flora Street	\$35,000
Railway Parade	Reseal & widen	Hancock Road	Albert Street	\$70,000
Albert Street	Reseal & widen	Railway Parade	Coghill Street	\$40,000
Total				\$475,000
2022-2023				
Gray Street	Road Re-construction	Hanson Street	Croser Street	\$265,975
Peake Street	Reseal & Shoulder seal	Stephenson Street	Shepard Street	\$95,833
Schaefer Street	Reseal	Warnest Street	Railway Terrace	\$84,491
Elizabeth Street	Reseal	Railway Terrace	Road Closure	\$49,858
Clode Street	Reseal	Railway Terrace	Horrocks Highway	\$41,913
Wright Street	Reseal	Gartrell Street	Clode Street	\$69,270
Queen Street	Reseal	Railway Terrace	Wright Street	\$48,872
Railway Terrace	Reseal	Gartrell Street	Clode Street	59,604

Road Name	Nature of Work	From	To	Estimated Project Cost
Crimson Court	Reseal	Shamrock Way	End of Road	\$21,289
Shamrock Way	Reseal	Gartrell Street	End of Road	\$103,209
Jemalong Crescent	Reseal	Shamrock Way	Shamrock Way	\$88,957
			Total	\$929,271

➤ **Resheeting Program**

Road Name	Nature of Work	From	To	Estimated Project Cost	
2019-2020					
College Road	New Construction (Council contribution towards a Heavy Vehicle Safety & Productivity Programme Application - \$1,200,000 of works)	Mudla Wirra Road	Twartz Road	\$600,000	
Lyndock Road	New Construction (Council contribution towards a Special Local Roads Programme Application - \$1,130,000 of works)	Gomersal Road	Ford	\$464,000	
Nottle Road	Resheeting	Redbanks Road	Parkers Road	\$75,000	
Nottle Road		Parkers Road	Wards Belt Road	\$93,200	
Stockport Road	Resheeting	Horrocks Highway	Obrien Road	\$64,000	
Stockport Road		Obrien Road	Gill Road	\$87,625	
Stockport Road		Gill Road	Argend Road	\$87,625	
Stockport Road		Argend Road	Muster Road	\$76,069	
Stockport Road		Muster Road	Bullock Road	\$65,125	
Stockport Road		Bullock Road	Start of seal	\$62,700	
Coffey Road		Resheeting	Kernich Road	Ayliffe Road	\$72,217
Coffey Road			Ayliffe Road	Ryan Road	\$26,950
Haydon Road	Resheeting	Boundary Road	Redbanks Roads	\$190,000	
Haydon Road		Callahan Road	Mudla Wirra Road	\$20,000	
Wasleys Road	Resheeting (work to be delivered in conjunction with Accelerated Infrastructure Programme works)	Woolshed Road	Selleck Road	\$291,100	
Wasleys Road		Selleck Road	Lines Road		
Wasleys Road		Lines Road	Mullens Road		
Wasleys Road		Mullens Road	Mudla Wirra Road		
Lines Road		Wasleys Road	Mudla Wirra		
			Total	\$2,275,611	
2020-2021					
Bagot Well	Resheeting	Camel Farm Road	Public Road 335	\$480,000	
Bagot Well		Public road 335	Weaver Road		
Bagot Well		Weaver Road	Public Road 342		
Bagot Well		Public Road 342	Teagle Road		

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Road Name	Nature of Work	From	To	Estimated Project Cost
Bagot Well		Teagle Road	Khiyam Road	
Bagot Well		Khiyam Road	Brennan Road	
Bagot Well		Brennan Road	Thiele Highway	
Lyndoch Road	New Construction (Council contribution towards a Special Local Roads Programme - \$1,130,000 of works)	Gomersal Road	Ford	\$376,310
Barrow Road	Resheeting	Horrocks Highway	90m from Horrocks Highway	\$5,000
Neindorf Road	Resheeting	Schirmer Road	250m from Schirmer	\$10,000
Mark McKillop Walk	Resheeting	470m from Public Road	676m from Public Road	\$5,000
Scottys Grave Road	Resheeting	850m from School Road	Moyle Road	\$15,000
Patterson Road	Resheeting	Pinkerton Road	Coleman Road	\$90,000
Buckby Road	Resheeting	Selleck Road	Sec681	\$30,000
Buckby Road		Sec681	Mudla Wirra Road	\$30,000
Oates Road	New Construction (Council contribution towards a Heavy Vehicle Safety & Productivity Programme Application - \$1,050,000 of works)	Redbanks Road	Lucas Road	\$230,000
Oates Road		Lucas Road	Fairlie Road	
Oates Road		Fairlie Road	Hatcher Road	
Carmichael Road	Resheeting	Marshall Road	Owen Road	\$3,000
Carmichael Road	Resheeting	Owen Road	1080m from Owen Road	\$30,000
Goodger Road	Resheeting	Hayman Road	Dawkins Road	\$20,000
Kraehe Road	Resheeting	End of Seal	Bend in Road	\$25,000
Kraehe Road	Resheeting	Bend in Road	Neldner Road	\$45,000
Robert Steele Road	Resheeting	Krieg Road	Gerald Roberts Road	\$50,000
Wedding Road	Resheeting	Newman Road	Schwerdt Road	\$30,000
Schwerdt Road	Resheeting	Marshall Road	200m from Marshall Road	\$5,000
Nurse Road	Resheeting	Thiele Highway	Sturt Highway	\$190,000
Moppa Springs Road	Resheeting	Greenock Road	Parbs Road	\$64,585
Hughes Road	Resheeting	Moppa Road	Public Road 105	\$5,000
Church Road	Resheeting	Bethel Road	Deep Creek Road	\$25,000
Pine Creek Road	Resheeting	Bethel Road	Creek Road	\$35,000
Jas Ryan Road	Resheeting	Christian Road	Public Road (1471)	\$45,000
			Total	\$2,108,895
2021-2022				
Branson Road	Resheeting	Nain Road	Jackman Road	\$73,000
Boundary Road	Resheeting	Gawler River Road	River	\$30,621

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Road Name	Nature of Work	From	To	Estimated Project Cost
Kidman Road	Resheeting	Trevena Road	176m for Trevana road	\$11,880
Nain Road	Resheeting	Matchoss Road	Start of seal	\$44,550
Nain Road	Resheeting	End of Seal	Keane Road	\$12,150
Nain Road	Resheeting	Keane Road	Branson Road	\$97,325
Woods Road	Resheeting	1900m fro Parkers Road	Dfiedler Road	\$29,575
Roefeldt Road (Magdala)	Resheeting	Mudla Wirra	585m from Mudla Wirra (East)	\$26,617
Hatcher Road	New Construction (Council contribution towards a Heavey Vehicle Safety & Productivity Programme Application - \$643,906 of works)	Wilkinson Road	Whitemans Road	\$321,953
Hatcher Road		Whitemans Road	Oates Road	
Wilkinson Road	New Construction (Council contribution towards a Heavey Vehicle Safety & Productivity Programme Application - \$680,000 of works)	Hatcher Road	Parkers Road	\$279,832
Wilkinson Road		Parkers Road	Two Wells Road	\$340,000
Marshall Road	Resheeting	Carmichael Road	Owen Road	\$4,550
Marshall Road	Resheeting	Roefeldt Road	Carmichael Road	\$47,325
Marshall Road	Resheeting	Roefeldt	Stott	\$49,600
Marshall Road	Resheeting	Stott	Shwerdt	\$52,325
Best Road	Resheeting	Roseworthy Road	Start of Seal	\$130,000
Fyfe Road	Resheeting	Owen Road	300m from Owen Road	\$120,000
Fyfe Road		Wychunga Road	Horrocks Highway	
Fyfe Road		Marshall Road	Wychunga Road	
Moppa Springs Road	Resheeting	Parbs Road	Spring Grove Road	\$100,000
Moppa Springs Road		Spring Grove Road	Public Road 105	
Moppa Springs Road		Public Road 105	Goldfields Road	
Murphy Road	Resheeting	River Light	Newman Road	\$55,000
Krieg Road	Resheeting	Perry Road	College Road	\$85,000
Perry Road	Resheeting	Phelps Road	Mackereth Road	\$118,447
Perry Road		Mitchell Road	Mackereth Road	
Turretfield Road	New Construction (Council contribution towards a Special Local Roads Programme Application - \$900,000 of works)	Gomersal Road	Rosedale Road	\$300,000
			Total	\$1,964,918

Road Name	Nature of Work	From	To	Estimated Project Cost
2022-2023				
Gerald Roberts Road	New Construction (Council contribution towards a Special Local Roads Programme Application - \$1,050,000 of works)	Gomersal Road	North Para River	\$350,000
Harnett Road	Resheeting	Owen Road	Hill Road	\$100,000
Harnett Road		Hill Road	Magdalla Road	
Wandel Road	Resheeting	Tremlett Road	Sturt Highway	\$50,000
St Johns Road	Resheeting	Truro Road	Kotz Road	\$58,000
St Johns Road		Kotz Road	300m from Kotz Road	
Caroline Street	Resheeting	Marrabel Road	Victoria Road	\$60,000
John Street	Resheeting	Marrabel Road	Victoria Road	\$40,000
Dawkins Road	Resheeting	Boundary Road	Gooder Road	\$91,000
Dawkins Road		Goodger Road	Wilkinson Road	
Grosser Road	Resheeting	Horrocks Highway	300m from Horrocks Highway	\$14,000
Hawker Creek Road	Resheeting	Bethel Road	Hazel Road	\$112,000
Hawker Creek Road		Hazel Road	Trevena Road	
John Eden Road	New Construction (Council contribution towards a Heavey Vehicle Safety & Productivity Programme Application - \$500,000 of works)	Tremlett Road	Best Road	\$250,000
John Eden Road		Thiele Highway	Tremlett Road	
Krieg Road	Resheeting	Perry Road	College Road	\$80,000
Parkers Road	Resheeting	Goodger Road	Wilkinson Road	\$350,000
Parkers Road		Wilkinson Road	Woods Road	
Parkers Road		Woods Road	Wards Belt Road	
Parkers Road		Wards Belt Road	Leak Road	
Parkers Road		Leak Road	Nottle Road	
McCabe Road	Resheeting	Forrest Road	Jarmyn Road	\$184,000
McCabe Road		Jarmyn Road	Patterson Road	
McCabe Road		Patterson Road	Coleman Road	
			Total	1,898,395

➤ **Building and Structures**

Project Name	Scope/Comments	Allocation
2019-2020		
Kapunda Senior Citizens Club	Renewal of wet areas, kitchen, access and replastering of walls internally. (Brought forward one year)	\$200,000
		Total
		\$200,000

2020-2021		
Public Toilet Renewal	Greenock Oval, Greenock Institute, Davidson Reserve, Mattiske Park	\$170,000
Playgrounds	Lions Train refurbishment	\$30,000
	Total	\$200,000
2021-2022		
Kapunda Institute	Refurbishment of electrical sub-boards, carpet, kitchen and entry	\$130,000
Yet to be defined	To be developed as part of the 2020-2024 program	\$70,000
	Total	\$200,000
2022-2023		
Playground Renewal	Various sites including Lions Playground	\$200,000
	Total	\$200,000

➤ **Stormwater & Bridges**

Project Name	Scope/Comments	Allocation
2019-2020		
Lucys Crossing Hydedale Road Hamilton		\$10,000
St Kitts West Ford		\$25,000
Oaklynn Road Ford		\$50,000
Oaklynn Road Ford		\$15,000
	Total	\$100,000
2020-2021		
Yet to be defined	To be developed as part of the 2020-2024 Program	\$100,000
	Total	\$100,000
2021-2022		
Yet to be defined	To be developed as part of the 2020-2024 program	\$100,000
	Total	\$100,000
2022-2023		
Yet to be defined	To be developed as part of the 2020-2024 program	\$100,000
	Total	\$100,000

Loan Borrowings

➤ **New Long-term Borrowings**

Provision for new borrowings is not anticipated on current 2019/2020 budget estimates. Should the need for general borrowings for 2019/2020 arise Council can activate unutilised borrowing endorsements made as part of the 2018/2019 budget adoption. The actual timing and the amount of borrowing will be managed based on cash available from day-to-day Council operations in line with Council's treasury management policy. Borrowing requirement is dependent upon the anticipation of grant funds and success or otherwise of grant funding applications and opportunities. The borrowing program will require review should these parameters change.

The known exception to the above position is that funding will be required for the 5 Shillings Estate activation project and the current proposal is that a fixed rate principal and interest debenture borrowing will be activated for this purpose. This project will have an income stream in the form of land sales that will offset borrowings. This item is not included in the 2019/2020 budget pending finalisation of detailed costings and agreements and will be considered within the context of the 2019/2020 quarterly budget review process.

➤ **Existing Long-term Borrowings**

Council will start the 2019/2020 financial year with \$4.338m of existing long-term debenture loan borrowings, which include loans that under-write assets owned by community organisations and which are repayable to Council by those community organisations. These loans will be fully expired by 2029.

Borrowings relating to the GWRS totalling \$11.3m, and the Accelerated Infrastructure Program totalling \$12m, are in the form of interest only convertible cash advance loans. These amounts are not considered long term borrowings given Council's intention to repay these loans from proceeds derived from the planned future sale of the GWRS asset in 2022.

11. Rating Structure and Policy

➤ What are Rates?

Rates are levied as a tax on property in accordance with the provisions of the Local Government Act. They are not a service or user charge. Property owners in the Council district make a contribution to the broad range of activities provided by Council through their rates. Because rates are levied on the value of property, those in higher valued properties pay more than those in lower valued properties.

Rates are the principal source of funding for Council services representing 68% of Council's total operating revenue in 2019/2020.

➤ Strategic Focus

In proposing its rates for the 2019/2020 Financial Year, Council has considered the Strategic Management Plan 2017 to 2020, the current economic climate, specific issues faced by the community, the budget requirements for the 2019/2020 financial year and the impact of rates on the community. Land use categories as provided in the Local Government (General) Regulations 1999 are used as the basis of Council's general rate calculation.

➤ Method used to value land

All land within a Council area, except for land specifically exempt (e.g. Crown land, Council occupied land), is rateable. Council continues to use capital value as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rates across all ratepayers because:

- ✓ Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates and therefore, it is the most appropriate measure of relative wealth in the community;
- ✓ As a measure of wealth it most closely reflects the capacity of property owners to pay; and
- ✓ It accords with the taxation principle, that people should contribute to the community social and physical infrastructure, in accord with their capacity to pay, as measured by property wealth.

Other valuation methods available are site value (value of land only) and annual value (value of rental potential of property). These are not considered appropriate with regard to Light Regional Council.

Council proposes to adopt the valuations made by the Valuer-General and which are applicable for the financial year commencing 1 July 2019 (valuations as at 1 July 2019).

➤ Valuation Objections

If a property owner is dissatisfied with a property valuation, then an objection may be made to the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection. Further contact details can be obtained from Council's Rates Assessment Officer on (08) 8525 3200. It is important to note that Council has no role in the valuation process.

➤ Land Use Objections

Land Use is used as the factor to apply differential rates. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with Council's Rates Assessment Officer, on (08) 8525 3200 in the first instance. Objections may be lodged for land use attributed to property for the purposes of raising Council rates. Council will then undertake a system of review.

➤ **Impact of Rates (Property valuation and proposed income)**

In the 2019/2020 budget, Council proposes to raise general rate revenue of **\$16.463m** (this figure will vary with week to week valuation updates) in a total operating revenue budget of **\$23.782m**. The final value of general rates revenue will be based on the final district valuation on or around 30 June 2019.

Council also raises income by way of separate charges for Refuse Collection and Community Wastewater Management Systems, and acts as a collection agent on behalf of the State Government in regard to the collection of income for the Natural Resource Management Boards.

Tables 11a to 11c summarise general rates modelling data used to formulate the 2019/2020 ABP and Budget. This information is prepared at Week 51 (Monday 17 June 2019) of the valuation cycle.

Table 11a - Rates Modelling Based on Valuation at 17 June 2019

Financial Year	2018/2019	2019/2020	
		(17 June 2019)	% Change
Total Capital Valuation	\$3,472,482,500	\$3,616,648,260	4.15%
Number of Rateable Assessments	7,856	7,945	1.13%
Total General Rate Revenue	\$15,838,560	\$16,463,520	3.95%
Refuse Collection and Disposal Service Fee	\$1,362,255	\$1,443,335	5.95%
CWMS Service Fee	\$1,329,600	\$1,491,000	12.14%
NRM Board Levy	\$333,440	\$341,472	2.41%
Other Rate Income	\$122,400	\$124,848	2.33%

The total capital valuation of the district has increased 4.15% between 1 July 2018 and the date of the valuation data used (17 June 2019) to formulate the 2019/2020 budget. The average valuation increase of existing rateable assessments across Council is 3.21% (refer **Table 11b** below), with the balance of the total growth made up of new assessments.

Council **does not** propose an increase to the rate in the dollar for the 2019/2020 financial year.

Valuation growth will increase Council's total general rates revenue by 3.95%. The increase in revenue will fund the new initiatives proposed for 2019/2020 as outlined in this document along with some service level increases.

Tables 11b and 11c below expand the information above and provide comparative assessment, valuation and rating data by Land Use Code.

Table 11b – Comparative Assessment and Valuation Data

Land Use	2018-19 Financial Year		2019-20 Financial Year (as at 17 June 2019)							
	No. of Assessments	Total District Valuation	Existing Assessments			New Assessments		Total Assessments		
			No. of Existing Assessments	Total District Valuation \$	% Increase in Valuation	No. of New Assessments	Total New Assessments Valuation \$	No. of Assessments	Total District Valuation \$	% Increase Over 2018-19
Residential	4,600	1,535,703,498	4,623	1,552,524,300	1.10%	24	8,445,701	4,647	1,560,970,001	1.65%
Commercial Shop	67	16,362,742	66	15,940,342	-2.58%	1	150,063	67	16,090,405	-1.66%
Commercial Office	13	3,359,900	12	3,305,600	-1.62%	0	0	12	3,305,600	-1.62%
Commercial Other	270	105,271,121	270	107,938,669	2.53%	9	1,241,131	279	109,179,800	3.71%
Industrial Light	22	6,496,824	22	6,641,952	2.23%	0	0	22	6,641,952	2.23%
Industrial Other	38	108,084,280	39	112,412,177	4.00%	0	0	39	112,412,177	4.00%
Primary Production	2,348	1,510,731,374	2,331	1,601,099,017	5.98%	14	9,115,000	2,345	1,610,214,017	6.59%
Vacant Land	421	56,489,137	354	49,799,841	-11.84%	81	13,822,000	435	63,621,841	12.63%
Other	97	76,461,883	99	79,648,684	4.17%	0	0	99	79,648,684	4.17%
Total Rateable	7,856	3,418,960,759	7,816	3,529,310,582	3.23%	129	32,773,895	7,945	3,562,084,477	4.19%
Non-Rateable	381	53,521,741	391	54,563,783	1.95%	0	0	391	54,563,783	1.95%
Total Assessments	8,237	3,472,482,500	8,207	3,583,874,365	3.21%	129	32,773,895	8,336	3,616,648,260	4.15%

Table 11c - Rate in the \$ and Rate Revenue by Land Use (existing assessments)

Land Use	2018/2019	2019/2020 Proposed		
		Rate in the \$	Rate Revenue	Weekly \$ Increase in 19/20 for Existing Assessments
Residential	0.0044794	0.0044794	\$7,035,485	\$0.16
Commercial Shop	0.0078390	0.0078390	\$131,112	\$(0.30)
Commercial Office	0.0078390	0.0078390	\$26,208	\$2.11
Commercial Other	0.0089588	0.0089588	\$978,070	\$1.67
Industrial Light	0.0123184	0.0123184	\$81,818	\$1.56
Industrial Other	0.0123184	0.0123184	\$1,385,118	\$9.01
Primary Production	0.0036283	0.0036283	\$5,834,621	\$3.02
Vacant Land	0.0078390	0.0078390	\$415,135	\$(0.01)
Other	0.0044794	0.0044794	\$383,012	\$1.26
Minimum Rate	\$875	\$875		

All rates modelling incorporates the proposed overall rating and its impact using average valuations. Rate changes for individual assessments will likely vary from average amounts used for modelling purposes.

➤ **Differential General Rates**

Every resident benefits in some part from the general amenity of the Council area, whether that is at the present time or in the future. The amenity includes the local economy, general Council operations and the ability to use Council facilities.

It is acknowledged that the system of Council rates is a system of taxation against property prescribed through the provisions of the Local Government Act 1999. However, Council has assessed that the level of differential rating imposed is governed in part by the ability to pay, the potential for income tax deductions and the perception of accessibility or useability of Council services by the residents and consumers. Council has decided that:

(a) Commercial Properties

Commercial properties generally have available to them, their employees and customers the same services as other ratepayers. However, in most cases commercial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided.

(b) Industrial Properties

Industrial properties generally have available to them, their employees and customers the same services as other ratepayers. However, in most cases industrial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided, particularly where, for example, large amounts of raw or unrefined product is delivered to site for processing utilising Council's infrastructure.

(c) Primary Production Properties

Primary Production properties tend to be more remote from some of the services provided by Council. In terms of infrastructure adjacent their properties they may not have sealed or formed roads, footpaths or street lighting. However they do have capacity to enjoy the formed roads, footpaths or street lighting and enjoy the same level of amenity as other residents of the Council area.

➤ **Minimum Rate**

A Council may impose a minimum amount payable by way of rates, provided that it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

In 2019/2020 Council proposes to impose a minimum rate of \$875 (\$875 in 2018/2019) which will affect 810 (10.2%) of rateable properties. Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering Council's activities and to the cost of creating and maintaining the physical infrastructure that supports each property.

➤ **Natural Resource Management Board Levies**

The whole of the Council area is located within the boundaries of the Adelaide and Mount Lofty Ranges Natural Resource Management Board. Contributions are sought in 2019/2020 totalling \$332,033.

Council is operating as a revenue collector for the Natural Resource Management Boards in this regard. It does not retain this revenue or determine how the revenue is spent.

➤ **Service Charges**

Council provides a Community Wastewater Management System to residential and commercial properties in Kapunda, Freeling, Greenock and Roseworthy. The estimated full cost of service for the 2019/2020 financial year is \$1.731m. Council recovers this cost through various means including the imposition of a service charge of \$525 per unit (\$480 in 2018/2019) for all properties where the service is available. Where the service is provided to land (an assessment) to which a rate rebate applies, a CWMS service charge is levied against the land.

The provision of CWMS is a regulated service and the Essential Services Commission of SA has issued a price determination and guidelines for Councils to follow in regard to the pricing of CWMS. The guidelines and price determination result from work done at the National level, and adopted by State and Territory Governments, to ensure that the full cost of providing water and sewerage services is recovered from users. This approach ensures the sustainability of service provision over time. A recent review of Light Regional Council's CWMS services costs and charges has identified that Council is not recovering the full cost of its CWMS, and that the separate rate charged for this service will need to be increased. Given that the disparity between the current rate and full cost recovery is significant it is proposed that increases be phased in over an appropriate time frame. Proposed increases are reviewed annually and are adjusted in accordance with the costs of the scheme at that time. At the time of developing the 2019/2020 budget and 2020-2029 LTFFP, estimated CWMS charges are as follows:

- 2019/2020 \$525
- 2020/2021 \$570
- 2021/2022 \$585

The Council also provides a refuse collection service inclusive of recycling collections within the townships of Kapunda, Freeling, Hewett, Greenock, Roseworthy and Wasleys. The service is also provided to those ratepayers in Council's area that are able to access the service along the designated collection routes. The full cost of service for 2019/2020 is budgeted to be \$1.442m. Council proposes to recover this cost through a service charge of \$295 (\$275 in 2018/2019) for each property within the designated 3 bin service area (i.e. collection of domestic, recyclable and green organic refuse); and through a service charge of \$196 (\$184 in 2018/2019) for each property within the designated 2 bin service area (i.e. collection of domestic and recyclable refuse only). Where the service is provided to land (an assessment) to which a rate rebate applies, a refuse collection service charge is levied against the land.

➤ **Payment of Rates**

Under Section 181 of the Local Government Act 1999, Council must provide the opportunity for all ratepayers to pay rates by quarterly instalments. Council payment dates proposed for the 2019/2020 Financial Year will be 6 September 2019, 6 December 2019, 6 March 2020 and 5 June 2020.

Late Payment of Rates

The Local Government Act 1999 provides that Councils impose an initial penalty of 2% on any payment for rates, whether by instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Council allows a further three working days after the due date for payment as a grace period. Thereafter late payment penalties are applied in accordance with the Local Government Act 1999.

Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the final notice, then the Council will refer the debt to their debt collection agency for collection.

The debt collection agency charges collection fees that are recoverable from the ratepayer. All costs incurred by Council in the recovery of outstanding rates and fines are payable by the ratepayer. When Council receives a payment in respect of overdue rates, Council applies the money received as follows:

- i. firstly – in payment of any costs awarded to, or recoverable by, the Council in any court proceedings undertaken by the Council for the recovery of the rates;
- ii. secondly – in satisfaction for any liability for interest;
- iii. thirdly – in payment of any fine;
- iv. fourthly – in satisfaction of liabilities for rates in the order in which those liabilities arose in payment of rates, in date order of their imposition (starting with the oldest account first).

➤ **Remission and Postponement of Rates**

Postponement of Rates - Hardship

Section 182 of the Local Government Act 1999 permits Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they are invited to contact Council's Rates Assessment Officer, on (08) 8525 3200 to discuss the matter. Such enquiries are treated confidentially by Council.

Seniors Rate Postponement

Section 182A of the Local Government Act provides the option for State Senior Card holders to apply to postpone part of their Council rates on a long term basis. The deferred amount is subject to monthly interest charge, with the accrued debt being payable on the disposal or sale of the property. Postponement is similar to a reverse mortgage by relying on the equity in the property. A ratepayer who has a State Seniors Card may apply for postponement of a portion of the Council rates payable on property they own if it is their principal place of residence and if no other person other than their spouse has an interest as owner of the property and there is appropriate equity in the property. Further information can be obtained from Council's Rates Assessment Officer on (08) 8525 3200.

➤ **Rebate of Rates**

The Local Government Act 1999 requires Councils to rebate the rates payable for certain land uses. This includes 100% rate rebates granted on Places of Worship, Public Cemeteries, Hospitals and land occupied by Universities, and 75% rate rebates have been granted on Educational facilities (subject to some qualifications).

Discretionary rebates may be applied by the Council under Section 166 of the Act. Council annually considers many applications for rate rebates and has in the past, and is again for the 2019/2020 financial year, proposing to rebate rates charged to various district community and sporting organisations.

➤ **Sale of Land for Non-Payment of Council Rates**

The Local Government Act 1999 provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the principal ratepayer and the owner (if not the same person) of the land of its intention to sell the land and provide the owner with details of the outstanding amounts. If payment of the outstanding amount is not received within one month the property may be sold. Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates.

12. How to Measure Council Performance

The measure of the Council's success is driven by the achievement of the strategic objectives outlined in the Strategic Management Plan 2017-2020 which also identifies the desired outcomes expected from the strategic objectives. In addition to the strategic outcomes, the Council also measures its achievements through the following non-financial and financial Indicators.

Non-Financial Indicators

To ensure that the Council delivers on the strategic objectives set out in the Strategic Management Plan 2017-2020 and ABP, it is paramount that annual budget activities and projects are completed on time while delivering project outcomes as planned. Therefore, the progress of the activities and projects will be closely monitored to ensure that there will be no project delays and budget overruns.

Financial Indicators

When evaluating activities undertaken during any given financial year, the Council considers a number of factors, one being the future financial sustainability of the Council.

A series of financial indicators, explained below, have been developed by the Local Government sector to assist in determining whether a Council is financially sustainable or moving to a position of financial sustainability:

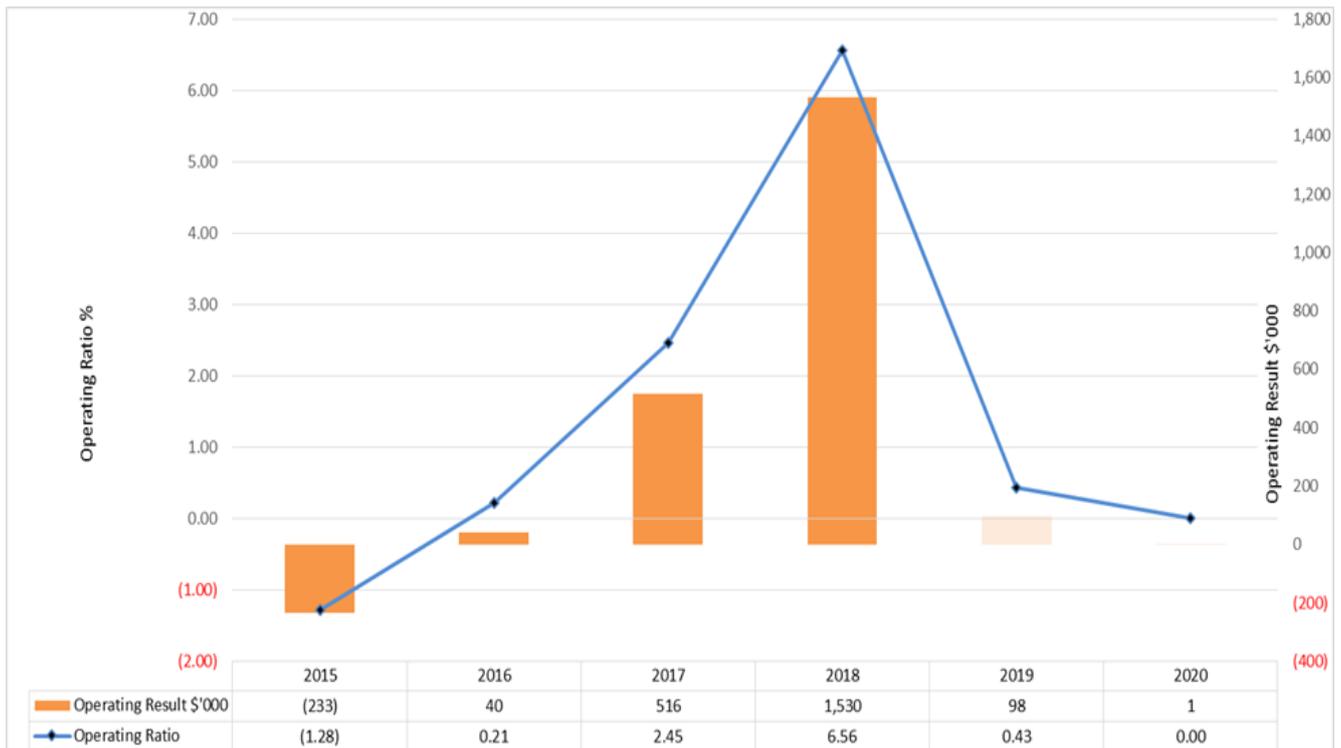
1. Operating Surplus Ratio - Desired level is between 0% and 10% on average over the long term;
2. Asset Renewal Funding Ratio - Desired level is greater than 90% but less than 110% on average over the long term; and
3. Net Financial Liabilities Ratio - Desired level is greater than 0% but no more than 100% on average over the long term.

The following graphs illustrate the aforementioned ratios for the financial years 2014/2015 to 2017/2018 (actual results); estimated ratios for 2018/2019; and forecast ratios for 2019/2020.

1. Operating Surplus Ratio

The Council’s long term financial sustainability is dependent upon ensuring that, on average over time, its operating income is higher than operating expenses (i.e. an Operating Surplus).

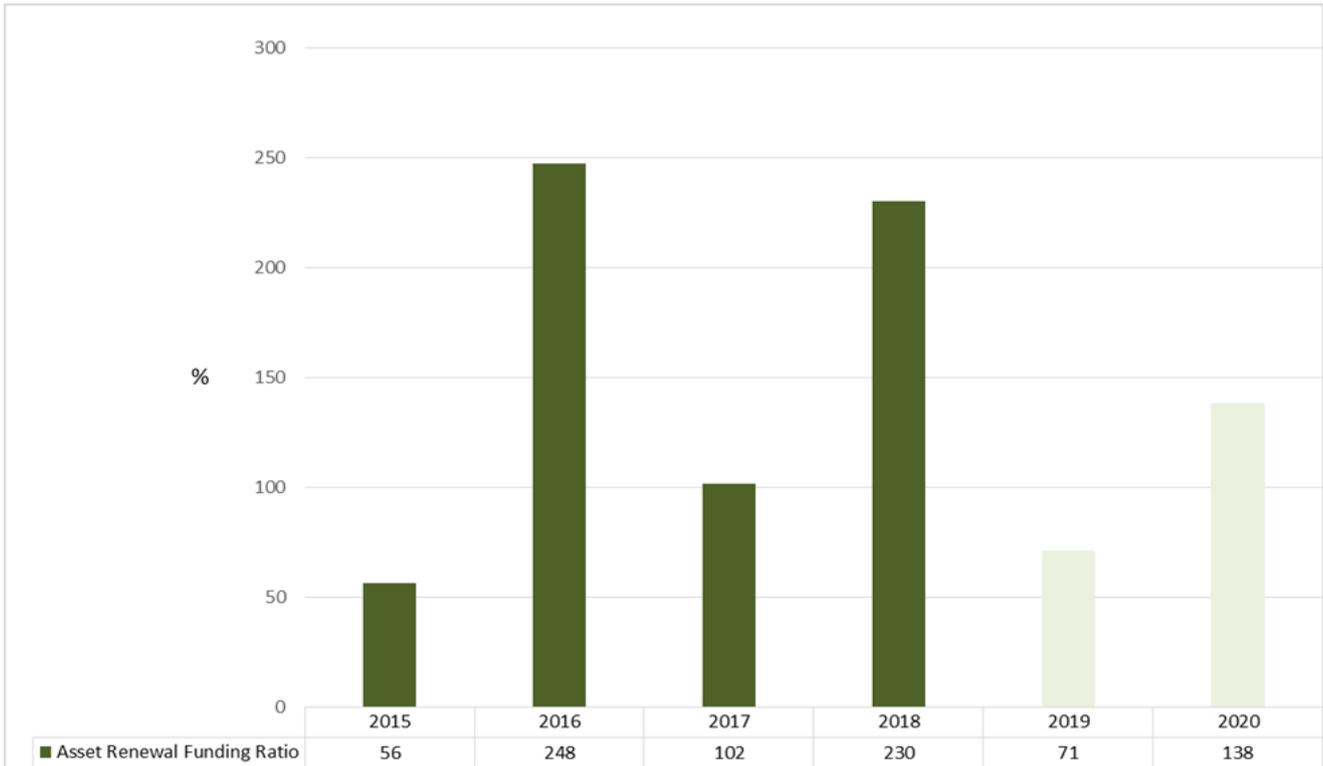
The operating surplus ratio is the operating surplus or (deficit) expressed as a percentage of operating income. A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. A negative ratio indicates the percentage increase in operating income or the approximate decrease in operating expenses required to achieve a break-even operating result. Council’s Operating Surplus Ratio indicates a continuing sustainable operating result.



2. Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio measures whether the Council is renewing or replacing existing physical assets (roads, footpaths, stormwater drainage, buildings, plant and equipment and furniture and fittings etc.) at the same rate the stock of these assets is wearing out. The ratio is calculated by measuring actual capital expenditure on renewal or replacement of assets, relative to the expenditure on renewal or replacement of assets as per Councils Infrastructure and Assets Management Plans.

The increasing percentage of asset renewal year on year as illustrated in the graph below reflects Council’s strategy to increase the level of asset renewal and replacement to match infrastructure renewal levels aligned to its Infrastructure Asset management Plan (IAMP). The IAMP will be reviewed in 2019/2020.

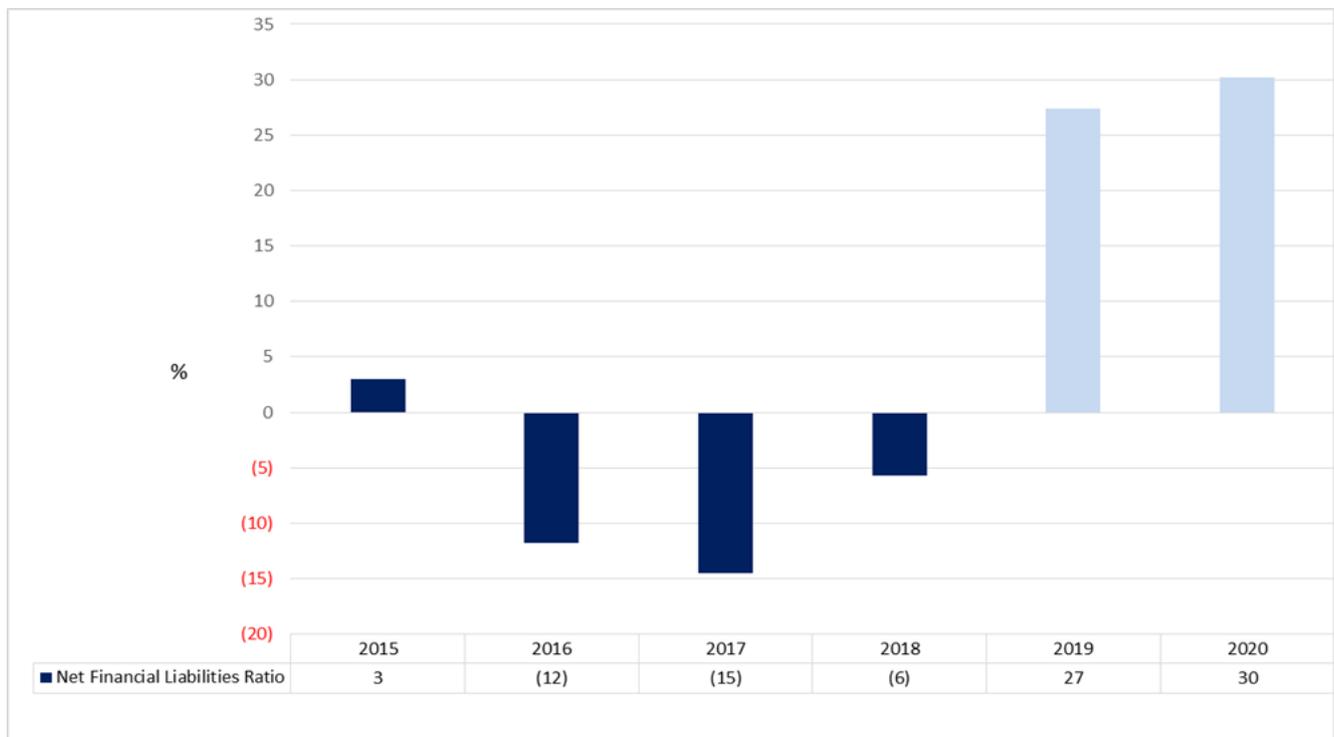


3. Net Financial Liabilities Ratio

This ratio indicates the extent to which the net financial liabilities of the Council or its total indebtedness can be met by Council's total operating revenue. Net financial liabilities measure a Council's indebtedness. It is a broader measure than net debt as it includes all of a Council's obligations including provisions for employee entitlements and creditors. Net financial liabilities equal total liabilities less financial assets where financial assets include cash, investments, and loans to community groups, receivables and prepayments.

The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. Where the ratio is increasing, it indicates a greater amount of a Council's operating revenues is required to service its financial obligations.

Council has a significant financial asset in its investment in the Gawler Water Reuse Scheme (GWRS). The very low and negative Net Financial Liabilities Ratios over a number of years are directly attributable to the value of the GWRS financial asset, relative to Council's borrowings. The Net Financial Liabilities Ratio increases from financial year 2018 with increasing loans, which are drawn to fund the Accelerated Infrastructure Program.



13. Long Term Financial Plan 2019/2020 to 2028/2029

➤ Background

Section 122 (1a) of the Local Government Act requires Councils to develop and adopt:

- (a) a Long Term Financial Plan (LTFP) for a period of at least 10 years; and
- (b) an Infrastructure and Asset Management Plan (IAMP), relating to the management and development of infrastructure and major assets by the Council for a period of at least 10 years (and these plans will also be taken to form part of the Council's strategic management plans).

Section 122(4)(a)(i) of the Act requires that the LTFP should be *reviewed* as soon as practical after the adoption of the ABP. However, Section 122(4)(b) of the Act specifies that the Council must undertake a *comprehensive review* of its Long Term Financial Plans within 2 years after each general election of the Council.

The purpose of a Council's LTFP is to express, in financial terms, the activities that it proposes to undertake over the medium to longer term to achieve its stated objectives. It is similar to, but usually less detailed than, the annual budget. Just like the budget, it is a guide for future action although its preparation requires the Council to think about not just one year but the longer-term impact of revenue and expenditure proposals. The aggregation of future strategic plans and business initiatives and their intended outlays and anticipated revenues, enables the accumulating overall financial and economic implications to be readily identified and, if warranted, proposed future activities to be revised. The LTFP should specify and take account of:

- ✓ Expected expenses and capital outlays for each year of the plan;
- ✓ Expected revenues for each year and their source;
- ✓ Any variations in net debt required as a result of expected cash flow needs;
- ✓ Performance measures to enable assessment of the Council's financial sustainability over the period of the plan.

➤ Long Term Financial Objective of the Light Regional Council

The Long Term Financial Objective of Light Regional Council is to be **“a Council which delivers on its strategic objectives by managing its financial resources in a sustainable and equitable manner by incremental growth and service cost containment to reduce the operating deficit over time; as opposed to burdening the ratepayers of the Council with short term excessive increases to their annual Council rate bill”**.

Financial sustainability means having a financial position capable of meeting long-term service and infrastructure levels and standards, acceptable to the community, without substantial increases in rates or cuts to services. The Long Term Financial Plan has been developed based on following budget principles. They are;

Principle 1: Breakeven Budget

Cost of annual Council's services and programs, including depreciation of assets, are fully funded by the current ratepayers being the consumers of those Council services, programs and assets.

Principle 2: Rate Stability

Annual rate collections are fair and equitable for the ratepayers with the aim to keep rate revenue increases stable over the medium term.

Principle 3: Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council's Infrastructure Asset Management Plans.

Principle 4: Prudent Debt Management

Prudent use of debt to invest in new long term assets to ensure intergenerational equity between current and future users.

➤ **Assumptions used in the preparation of Long Term Financial Plan 2019/2020 to 2028/2029**

The LTFP provides the financial projections and budget framework to guide the development of the detailed annual budget and provide a level of assurance to Elected Members and the community on the sustainability of Council operations. A 10 year LTFP summarises the financial impacts of Council's strategic directions and provides an indication of the sustainability of these plans. By evaluating our financial strategies over a planning horizon of 10 years we can determine how decisions we make now and for the 2019/2020 budget will impact on the future and ensure the impact of rates is spread equitably across generations of ratepayers so that planned service standards over the long term and infrastructure levels can be met without unplanned increases in rates or cuts to services. The LTFP is prospective information. Actual results are likely to vary from the information presented. Consequently, the information presented is prepared on the basis of best estimate assumptions as to future events which Council expects are likely to take place. These estimates arise from information known as at 9 May 2019. **Table 12** summarises the assumptions that were used in the preparation of 2019/2020 Budget and 10 year LTFP.

Table 12: Assumptions used in preparation of 2019/2020 Budget and 10 year LTFP

Description	Assumptions
Rates	
- General Rates	The LTFP provides for annual total rates revenue growth of 3.5%. Revenue growth is comprised of a mix of rate-in-the-dollar increases of (no more than) 2.5% and estimated annual assessment growth of 1.0%. 2019/2020 total rates revenue growth is estimated at 3.75%. Other assumptions for 2019/2020 revenue include: no rate in-the-dollar increase ; no increase to the minimum rate; average assessment valuation growth of existing rateable assessments of 3.4%; and, growth provided by new assessments of 0.67%.
- CWMS Charge	In line with recommendations from the CWMS financial review, which seeks to recover the full cost of service of Council's CWMS over the ten year LTFP
- Refuse Collection Charge	2% per annum (p.a.) average over the LTFP
- NRM Levy	4% p.a. average over the LTFP
- Minimum Rates	2.5% p.a. average over the LTFP
Statutory charges	2% p.a. average over the LTFP
User charges	2% p.a. average over the LTFP
Grants, subsidies and contributions	Based on confirmed grant funding for 2019/2020 and estimated over the LTFP
Investment Income	Nominal average over the LTFP based on minimal invested funds
Reimbursements	2% p.a. average over the LTFP
Other Income	2% p.a. average over the LTFP
Employee Costs	2.75% p.a. average over the LTFP
Materials, contracts and other expenses	2% p.a. average over the LTFP
Depreciation, Amortisation & Impairment	3% p.a. average over the four year budget. Increasing from year 5 through year 10 to reflect the projected capacity for increased infrastructure service levels.
Finance Costs	Actual interest payable on existing loans and the estimated cost of forecast new borrowings.
Business Case submissions	Business case submissions are incorporated into the 2019/2020 budget and 2020-2029 LTFP mindful of the financial impact on sustainable operating results over the long term

➤ **Long Term Financial Statements**

Council forecasts a balanced operating budget for the financial year 2019/2020. A modest deficit is forecast for 2020/2021, reflecting the full-year expenditure impacts of new initiatives and programs introduced in 2019/2020. Moderate surpluses are budgeted for financial years 2021/2022 and 2022/2023 to complete the four (4) year budget cycle. The operating surpluses forecast in year's five to ten of the LTFP reflect the revenue and expenditure assumptions outlined in **Table 13**.

Key influences during the life of the 2020-2029 LTFP include the retirement of loans associated with the GWRS project and Accelerated Infrastructure Program in the 2022/2023 financial year through the planned sale of the GWRS. Council's annual interest expenditure is significantly reduced from 2022/2023 as a result. Forecast rates revenue growth provides the potential for increasing the district's infrastructure service levels and this is reflected in a nominal increase in the level of depreciation from year five of the LTFP. The LTFP assumes a 1% operating surplus from year 5 and this has been used to determine the potential funding available for increased infrastructure service levels. These assumptions will be updated through the revision of Council's Infrastructure and Asset Management Plan.

At this time the complete financial data relative to a number of initiatives is not available and Council has decided to account for these initiatives as financial information comes to hand. To reflect these changes Council will revise its budget and LTFP (a) as part of the 2019/2020 quarterly budget review process and (b) through a detailed revision of the LTFP as part of the 2020/2021 financial year's budget process. The current budget and LTFP do not account for:

- the long-term financial impact of the proposed Roseworthy Township Expansion project;
- the cost and income associated with the 5 Shillings Estate activation;
- potential income from the Commonwealth Drought Communities Programme;
- the financial impact of future decisions concerning the Kapunda Lifestyle Village units; and
- a proposal for the development of a Kidman International Visitor Centre.

Current financial modelling indicates that over the 10 year long-term the operating results of Light Regional Council continue to be sustainable. Over time the additional projects noted above will impact the LTFP, however a sustainable financial outcome remains.

Council's Long Term Financial Plan financial statements and financial ratio information are included on the following pages.

Light Regional Council
**2019-2020 Annual Business Plan, Budget &
 Long Term Financial Plan (2020 to 2029)**

**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 STATEMENT OF COMPREHENSIVE INCOME**

	2018 ACTUAL	2019 ADOPTED BUDGET	2020 YEAR 1	2021 YEAR 2	2022 YEAR 3	2023 YEAR 4	2024 YEAR 5	2025 YEAR 6	2026 YEAR 7	2027 YEAR 8	2028 YEAR 9	2029 YEAR 10
OPERATING INCOME												
Rates	17,343,453	18,385,440	19,335,396	20,099,936	20,801,835	21,527,041	22,231,331	22,959,302	23,711,788	24,489,647	25,293,767	26,124,070
Gawler Water Reuse Scheme	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	450,000	-	-	-	-	-	-
Statutory charges	472,760	456,933	466,073	471,857	481,294	490,920	500,738	510,753	520,968	531,387	542,015	552,855
User charges	193,302	146,815	224,940	228,343	231,822	235,379	239,015	242,732	246,534	250,421	254,395	258,459
Grants, subsidies and contributions	2,891,096	1,526,288	1,457,390	1,466,085	1,474,956	1,484,005	1,493,236	1,417,889	1,427,496	1,437,296	1,447,295	1,457,494
Investment Income	57,373	42,289	49,535	19,693	18,484	17,226	15,918	14,558	13,283	12,098	10,862	5,000
Reimbursements	343,682	164,510	263,726	257,047	252,425	249,360	246,855	245,910	245,027	245,206	245,450	246,758
Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	201,514	316,083	185,367	187,987	188,680	193,451	194,299	199,228	200,240	205,337	206,523	185,366
Net Gain - Equity Accounted Council Business	6,609	-	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	23,309,789	22,838,359	23,782,426	24,530,947	25,249,495	24,647,382	24,921,392	25,590,372	26,365,336	27,171,393	28,000,307	28,830,002
OPERATING EXPENSES												
Employee Costs	7,342,259	7,685,538	8,504,434	8,741,131	8,980,176	9,221,569	9,383,756	9,634,003	9,891,120	10,155,296	10,426,726	10,705,607
Materials, contracts and other services	7,239,975	7,790,748	7,895,876	8,034,173	8,007,591	8,299,980	8,287,443	8,456,609	8,672,763	8,866,780	8,877,054	9,037,111
Gawler Water Reuse Scheme	244,271	926,020	475,000	926,020	926,020	231,505	-	-	-	-	-	-
Depreciation, Amortisation & Impairment	6,229,683	5,395,421	5,645,859	5,763,040	5,870,339	5,980,578	6,849,837	7,104,647	7,402,788	7,746,003	8,288,436	8,675,175
Finance Costs	723,802	942,296	1,260,372	1,226,544	1,190,821	301,296	148,455	134,984	130,521	125,874	121,034	115,995
Share of loss - joint ventures & associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating Project Expenses	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	21,779,990	22,740,023	23,781,541	24,690,908	24,974,947	24,034,928	24,669,492	25,330,243	26,097,192	26,893,953	27,713,249	28,533,887
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	1,529,799	98,336	885	(159,961)	274,549	612,454	251,901	260,130	268,144	277,440	287,058	296,115
Gain (loss) on disposal of assets	(6,768,884)	1,219,200	42,000	-	-	-	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	3,617,945	2,241,500	150,000	-	-	-	-	-	-	-	-	-
Physical resources received free of charge (estimate)	6,565,125	1,573,753	1,622,539	1,672,838	1,724,696	1,778,162	1,833,285	1,890,117	1,948,711	2,009,121	2,071,404	2,135,618
NET SURPLUS (DEFICIT)	4,943,985	5,132,789	1,815,424	1,512,877	1,999,245	2,390,616	2,085,186	2,150,247	2,216,855	2,286,561	2,358,462	2,431,733
OTHER COMPREHENSIVE INCOME												
Changes in revaluation surplus - infrastructure, property, plant & equipment	1,652,572	6,061,319	3,841,043	3,960,116	4,082,879	4,209,449	4,339,941	4,474,480	4,613,189	4,756,197	4,903,640	5,055,652
Share of other comprehensive income - joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	6,596,557	11,194,107	5,656,468	5,472,993	6,082,124	6,600,064	6,425,127	6,624,726	6,830,044	7,042,759	7,262,101	7,487,385

Light Regional Council
**2019-2020 Annual Business Plan, Budget &
 Long Term Financial Plan (2020 to 2029)**

**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 STATEMENT OF FINANCIAL POSITION**

	2018 ACTUAL	2019 ADOPTED BUDGET	2020 YEAR 1	2021 YEAR 2	2022 YEAR 3	2023 YEAR 4	2024 YEAR 5	2025 YEAR 6	2026 YEAR 7	2027 YEAR 8	2028 YEAR 9	2029 YEAR 10
ASSETS												
Current Assets												
Cash and cash equivalents	116,870	515,246	955,303	1,880,389	3,061,877	4,813,529	4,811,281	5,197,098	5,601,651	6,023,464	6,435,489	6,904,925
Trade & other receivables	1,947,828	2,498,516	2,601,797	2,683,686	2,762,295	2,696,424	2,726,400	2,799,587	2,884,368	2,972,550	3,063,234	3,154,002
Other Financial Assets		29,453	99,873	103,919	108,129	112,511	108,093	112,556	117,204	122,043	127,083	132,330
Inventories	18,018	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total Current Assets	2,082,716	3,168,215	3,781,973	4,792,993	6,057,301	7,747,464	7,770,774	8,234,241	8,728,222	9,243,058	9,750,805	10,316,257
Non-Current Assets												
Financial Assets	22,068,665	22,039,212	24,344,469	24,240,551	24,132,422	2,019,911	1,911,817	1,799,261	1,682,057	1,560,014	1,432,931	1,300,601
Equity accounted Investments in Council Businesses	1,614,385	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693	1,443,693
Infrastructure, Property, Plant and Equipment	189,996,513	231,957,752	204,282,966	208,360,690	212,646,845	216,921,243	222,989,632	229,234,582	235,664,693	242,284,008	249,096,616	256,106,711
Other Non-current Assets	2,782,530	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019	2,489,019
Total Non -Current Assets	216,462,093	257,929,676	232,560,147	236,533,953	240,711,978	222,873,866	228,834,162	234,966,555	241,279,462	247,776,733	254,462,258	261,340,024
Total Assets	218,544,809	261,097,893	236,342,121	241,326,946	246,769,279	230,621,330	236,604,936	243,200,796	250,007,684	257,019,792	264,213,063	271,656,281
LIABILITIES												
Current Liabilities												
Trade & Other Payables	2,803,832	3,098,396	3,187,746	3,343,780	3,383,914	3,353,552	3,338,090	3,417,316	3,506,717	3,593,270	3,646,484	3,729,399
Borrowings	3,801,132	1,129,225	644,202	679,925	717,651	426,058	108,093	112,556	117,204	122,043	127,083	132,330
Provisions	1,663,247	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236	1,499,236
Total Current Liabilities	8,268,211	5,726,857	5,331,184	5,522,941	5,600,802	5,278,846	4,945,419	5,029,109	5,123,157	5,214,549	5,272,803	5,360,965
Non-current Liabilities												
Borrowings	14,248,121	25,095,581	29,233,507	28,553,582	27,835,930	5,409,872	5,301,779	5,189,222	5,072,018	4,949,975	4,822,893	4,690,563
Provisions	309,662	401,146	401,146	401,146	401,146	401,146	401,146	401,146	401,146	401,146	401,146	401,146
Total Non-current Liabilities	14,557,783	25,496,727	29,634,653	28,954,728	28,237,076	5,811,018	5,702,925	5,590,368	5,473,164	5,351,121	5,224,039	5,091,709
Total Liabilities	22,825,994	31,223,584	34,965,837	34,477,669	33,837,878	11,089,864	10,648,344	10,619,477	10,596,322	10,565,671	10,496,841	10,452,674
NET ASSETS	195,718,815	229,874,309	201,376,284	206,849,277	212,931,401	219,531,465	225,956,592	232,581,319	239,411,362	246,454,121	253,716,222	261,203,607
EQUITY												
Accumulated Surplus	27,470,202	41,341,948	29,285,627	30,798,504	32,797,749	35,188,365	37,273,550	39,423,797	41,640,652	43,927,214	46,285,675	48,717,408
Asset Revaluation Reserve	164,914,005	185,363,972	168,755,048	172,715,164	176,798,043	181,007,492	185,347,434	189,821,913	194,435,102	199,191,299	204,094,939	209,150,591
Other Reserves	3,334,608	3,168,390	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608
TOTAL EQUITY	195,718,815	229,874,309	201,376,284	206,849,277	212,931,401	219,531,465	225,956,592	232,581,318	239,411,362	246,454,121	253,716,222	261,203,607

Light Regional Council
**2019-2020 Annual Business Plan, Budget &
 Long Term Financial Plan (2020 to 2029)**

**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 STATEMENT OF CHANGES IN EQUITY**

	2018 ACTUAL	2019 ADOPTED BUDGET	2020 YEAR 1	2021 YEAR 2	2022 YEAR 3	2023 YEAR 4	2024 YEAR 5	2025 YEAR 6	2026 YEAR 7	2027 YEAR 8	2028 YEAR 9	2029 YEAR 10
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	22,449,583	36,209,161	27,470,203	29,285,627	30,798,504	32,797,749	35,188,365	37,273,550	39,423,797	41,640,652	43,927,214	46,285,675
Net Result for Year	4,945,849	5,132,787	1,815,424	1,512,877	1,999,245	2,390,616	2,085,186	2,150,247	2,216,855	2,286,561	2,358,462	2,431,733
Transfers To Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Other Reserves	74,771	-	-	-	-	-	-	-	-	-	-	-
Other equity adjustments - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	27,470,203	41,341,948	29,285,627	30,798,504	32,797,749	35,188,365	37,273,550	39,423,797	41,640,652	43,927,214	46,285,675	48,717,408
ASSET REVALUATION RESERVE												
Balance at end of previous reporting period	163,261,433	179,302,653	164,914,005	168,755,048	172,715,164	176,798,043	181,007,492	185,347,434	189,821,913	194,435,102	199,191,299	204,094,939
Gain on revaluation of infrastructure, property, plant & equipment	1,652,572	6,061,319	3,841,043	3,960,116	4,082,879	4,209,449	4,339,941	4,474,480	4,613,189	4,756,197	4,903,640	5,055,652
Share of other comprehensive income - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	164,914,005	185,363,972	168,755,048	172,715,164	176,798,043	181,007,492	185,347,434	189,821,913	194,435,102	199,191,299	204,094,939	209,150,591
OTHER RESERVES												
Balance at end of previous reporting period	3,410,379	3,168,390	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608	3,335,608
Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Accumulated Surplus	(74,771)	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	3,335,608	3,168,390	3,335,608									
TOTAL EQUITY AT END OF REPORTING PERIOD	195,719,816	229,874,309	201,376,284	206,849,277	212,931,401	219,531,465	225,956,592	232,581,318	239,411,362	246,454,121	253,716,222	261,203,607

Light Regional Council
**2019-2020 Annual Business Plan, Budget &
 Long Term Financial Plan (2020 to 2029)**

**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 STATEMENT OF CASH FLOW**

	2018 ACTUAL	2019 ADOPTED BUDGET	2020 YEAR 1	2021 YEAR 2	2022 YEAR 3	2023 YEAR 4	2024 YEAR 5	2025 YEAR 6	2026 YEAR 7	2027 YEAR 8	2028 YEAR 9	2029 YEAR 10
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts												
Rates Receipts	19,527,080	18,582,566	19,469,475	20,164,108	20,791,218	20,382,528	20,532,015	21,148,863	21,811,862	22,509,111	23,227,092	23,951,765
Statutory Charges	472,760	546,733	572,827	593,265	611,715	599,691	604,089	622,238	641,744	662,259	683,383	704,704
User Charges	193,302	339,702	355,916	368,614	380,078	372,607	375,340	386,616	398,736	411,482	424,608	437,855
Grants, Subsidies and Contributions (operating purpose)	4,466,096	1,526,288	1,457,390	1,466,085	1,474,956	1,484,005	1,493,236	1,417,889	1,427,496	1,437,296	1,447,295	1,457,494
Investment Receipts	57,373	42,289	49,535	19,693	18,484	17,226	15,918	14,558	13,283	12,098	10,862	5,000
Reimbursements	343,682	177,243	185,703	192,328	198,309	194,411	195,837	201,721	208,045	214,695	221,543	228,455
Other Receipts	2,170,514	1,515,946	1,588,299	1,644,967	1,696,126	1,662,785	1,674,980	1,725,302	1,779,389	1,836,270	1,894,842	1,953,960
Payments												
Payments to Employees	(7,170,259)	(7,451,264)	(7,721,077)	(8,070,348)	(8,221,386)	(8,179,880)	(8,135,375)	(8,284,739)	(8,497,750)	(8,709,817)	(8,854,728)	(9,042,965)
Payments for Materials, Contracts & Other Expenses	(9,573,246)	(8,748,110)	(9,064,883)	(9,474,942)	(9,652,267)	(9,603,537)	(9,551,287)	(9,726,646)	(9,976,731)	(10,225,706)	(10,395,838)	(10,616,837)
Finance payments	(723,802)	(942,296)	(1,260,372)	(1,226,544)	(1,190,823)	(301,296)	(148,455)	(134,984)	(130,521)	(125,874)	(121,034)	(115,995)
Net Cash provided by (or used in) Operating Activities	9,763,500	5,589,097	5,632,813	5,677,225	6,106,413	6,628,540	7,056,299	7,370,817	7,675,552	8,021,814	8,538,024	8,963,436
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Amounts Received Specifically for New/Upgraded Assets	3,617,945	2,241,500	150,000	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	197,893	177,000	42,000	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	72,302	1,042,200	-	-	-	22,000,000	-	-	-	-	-	-
Repayments of Loans by Community Groups	30,758	28,332	95,985	99,873	103,919	108,129	112,511	108,093	112,556	117,204	122,043	127,083
Payments												
Expenditure on Renewal/Replacement of Assets	(4,776,896)	(4,241,868)	(4,185,367)	(3,714,810)	(3,908,418)	(3,813,366)	(5,844,250)	(6,070,000)	(6,341,000)	(6,655,000)	(7,166,000)	(7,519,000)
Expenditure on New/Upgraded Assets	(8,554,712)	(13,431,217)	(1,385,000)	(493,000)	(440,500)	(454,000)	(900,750)	(915,000)	(930,000)	(945,000)	(960,000)	(975,000)
Investments in GWRS Scheme	(6,609)	-	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Loans made to Community Groups	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(9,419,319)	(14,184,053)	(5,282,382)	(4,107,937)	(4,244,999)	17,840,763	(6,632,489)	(6,876,907)	(7,158,444)	(7,482,796)	(8,003,957)	(8,366,917)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from Borrowings	747,273	12,178,500	700,000	-	-	-	-	-	-	-	-	-
Payments												
Repayments of Borrowings	(1,036,586)	(3,554,605)	(610,374)	(644,202)	(679,925)	(22,717,651)	(426,058)	(108,093)	(112,556)	(117,204)	(122,043)	(127,083)
Net Cash provided by (or used in) Financing Activities	(289,313)	8,623,895	89,626	(644,202)	(679,925)	(22,717,651)	(426,058)	(108,093)	(112,556)	(117,204)	(122,043)	(127,083)
Net Increase (Decrease) in Cash Held	54,868	28,940	440,057	925,086	1,181,488	1,751,652	(2,248)	385,817	404,552	421,814	412,024	469,436
Cash & Cash Equivalents at beginning of period	62,002	486,306	515,246	955,303	1,880,389	3,061,877	4,813,529	4,811,281	5,197,098	5,601,651	6,023,464	6,435,489
Cash & Cash Equivalents at end of period	116,870	515,246	955,303	1,880,389	3,061,877	4,813,529	4,811,281	5,197,098	5,601,651	6,023,464	6,435,489	6,904,925

Light Regional Council
**2019-2020 Annual Business Plan, Budget &
 Long Term Financial Plan (2020 to 2029)**

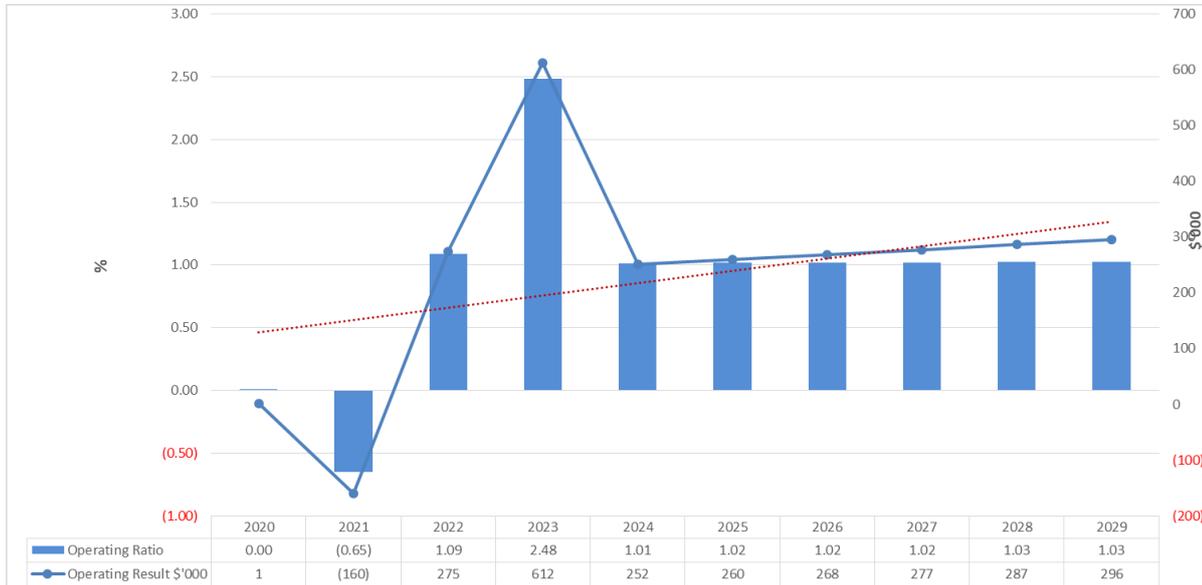
**LIGHT REGIONAL COUNCIL
 LONG TERM FINANCIAL PLAN
 UNIFORM PRESENTATION OF FINANCES**

	2018 ACTUAL	2019 ADOPTED BUDGET	2020 YEAR 1	2021 YEAR 2	2022 YEAR 3	2023 YEAR 4	2024 YEAR 5	2025 YEAR 6	2026 YEAR 7	2027 YEAR 8	2028 YEAR 9	2029 YEAR 10
Income	23,309,789	22,838,359	23,782,426	24,530,947	25,249,495	24,647,382	24,921,392	25,590,372	26,365,336	27,171,393	28,000,307	28,830,002
less Expenses	(21,779,990)	(22,740,023)	(23,781,541)	(24,690,908)	(24,974,947)	(24,034,928)	(24,669,492)	(25,330,243)	(26,097,192)	(26,893,953)	(27,713,249)	(28,533,887)
Operating Surplus / (Deficit)	1,529,799	98,336	885	(159,961)	274,549	612,454	251,901	260,130	268,144	277,440	287,058	296,115
<i>less Net Outlays on Existing Assets</i>												
Capital Expenditure on Renewal and Replacement of Existing Assets	4,776,896	4,241,868	4,185,367	3,714,810	3,908,418	3,813,366	5,844,250	6,070,000	6,341,000	6,655,000	7,166,000	7,519,000
less Depreciation, Amortisation and Impairment	(6,229,683)	(5,395,421)	(5,645,859)	(5,763,040)	(5,870,339)	(5,980,578)	(6,849,837)	(7,104,647)	(7,402,788)	(7,746,003)	(8,288,436)	(8,675,175)
less Proceeds from Sale of Replaced Assets	(197,893)	(177,000)	(42,000)	-	-	-	-	-	-	-	-	-
Subtotal	(1,650,680)	(1,330,553)	(1,502,492)	(2,048,230)	(1,961,921)	(2,167,212)	(1,005,587)	(1,034,647)	(1,061,788)	(1,091,003)	(1,122,436)	(1,156,175)
<i>less Net Outlays on New and Upgraded Assets</i>												
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	8,554,712	13,431,217	1,385,000	493,000	440,500	454,000	900,750	915,000	930,000	945,000	960,000	975,000
less Amounts Received Specifically for New and Upgraded Assets	(3,617,945)	(2,241,500)	(150,000)	-	-	-	-	-	-	-	-	-
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	(71,302)	(1,042,200)	-	-	-	(22,000,000)	-	-	-	-	-	-
Subtotal	4,865,465	10,147,517	1,235,000	493,000	440,500	(21,546,000)	900,750	915,000	930,000	945,000	960,000	975,000
Net Lending / (Borrowing) for Financial Year	(1,685,986)	(8,718,628)	268,377	1,395,269	1,795,969	24,325,666	356,738	379,777	399,933	423,444	449,493	477,289

➤ **Long Term Financial Ratios**

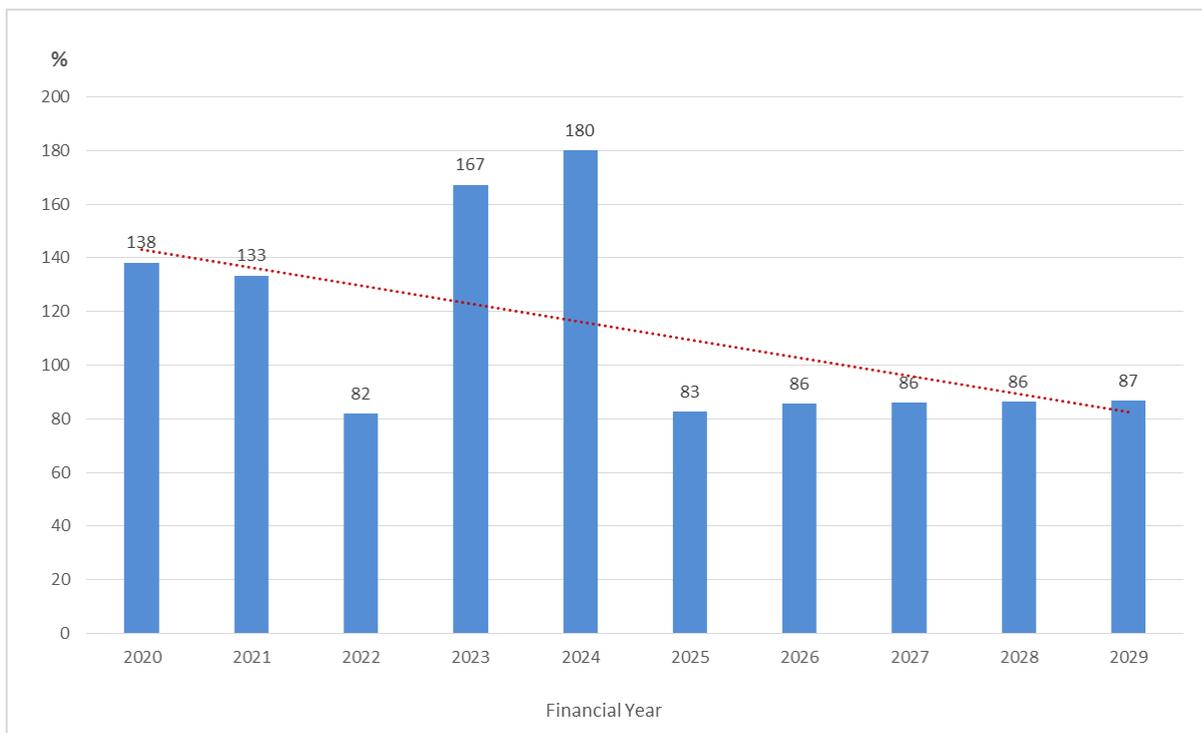
The following figures show the long-term financial ratios as recommended by Local Government Financial Management Regulation 2011 over the life of the 2020-2029 LTFP.

1. Operating Surplus / (Deficit) Ratio



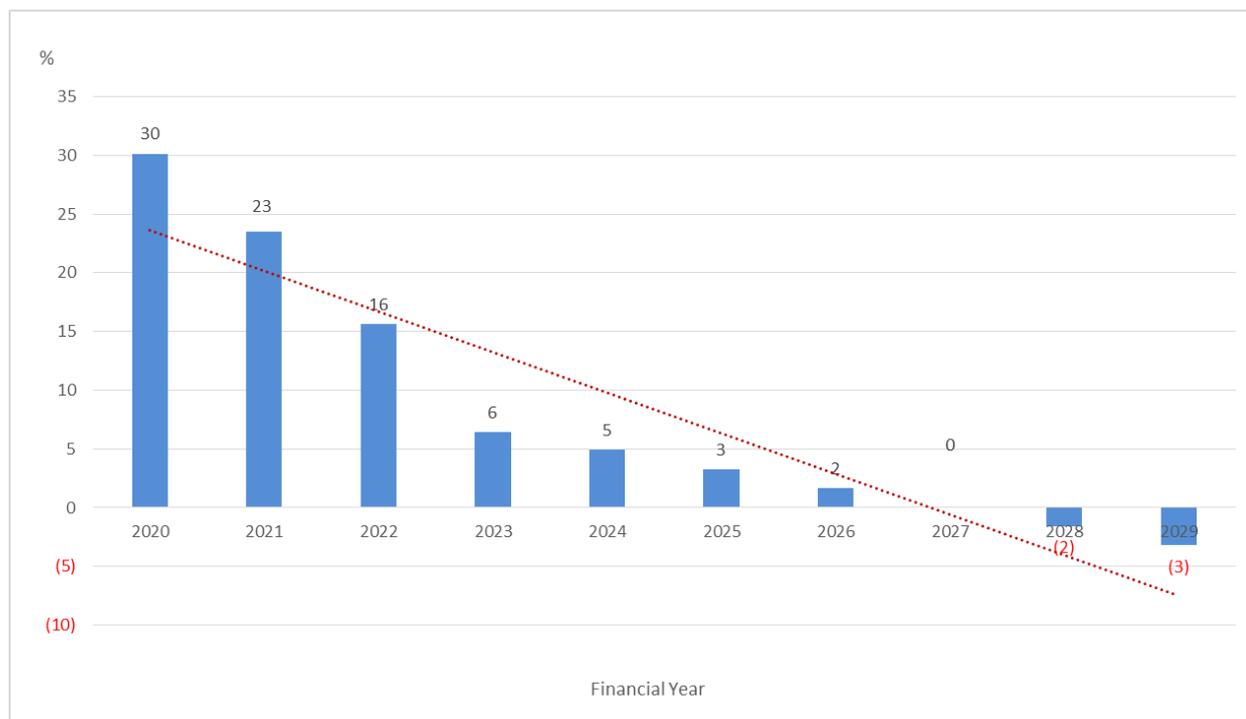
Financial Sustainability Information Paper 9 of the LGA recommend an Operating Surplus Ratio of between 0% and 10% on average over long term. Council's estimate of operating results for the long term does not include the likelihood of future new initiatives and programs impacting future returns. The LTFP forecast indicates however that Council's predicted operating results are sound. The operating surplus assumption for years 5 – 10 of the LTFP is 1% of total operating revenue.

2. Asset Renewal Funding Ratio



Financial Sustainability Information Paper 9 of the LGA recommend an Asset Sustainability Ratio of greater than 90% but less than 110% on average over long term. Council has used information contained in its Infrastructure and Asset Management Plan (IAMP) to inform and calculate the asset renewal funding ratio, for the term of the current IAMP. Beyond the horizon of the current IAMP (2025), future annual depreciation estimates are used to calculate the asset renewal funding ratio. Estimates of Asset Sustainability beyond year 4 of the LTFP fall outside of the current IAMP and these will be updated in the future revision of the LTFP accordance with a review and update of Council's IAMP scheduled for 2019/2020.

3. Net Financial Liabilities Ratio



Financial Sustainability Information Paper 9 of the LGA recommend a Net Financial Liabilities Ratio of greater than zero but no more than 100% of total operating revenue on average over long term.